

# THE MARCUS CORPORATION

FIRST QUARTER FISCAL 2007 • NYSE: MCS • WWW.MARCUSCORP.COM



## SPECIAL SHAREHOLDER DIVIDEND AND REGULAR QUARTERLY DIVIDEND INCREASE

- Special cash dividend of \$7.00 per share was paid on February 24, 2006.
- Regular quarterly cash dividend increased 36% to \$0.075 per common share.
- Special dividend returned to shareholders approximately \$215 million in proceeds from the sale of the limited-service lodging division.
- Committed to growing Marcus Theatres and Marcus Hotels and Resorts.
- After special cash dividend, still have a significant cash balance and substantial borrowing capacity to invest in growing both divisions.
- Sale of limited-service lodging division unlocked significant shareholder value and illustrates the underlying value of the company's real estate assets.

## FIRST QUARTER FINANCIAL HIGHLIGHTS

Fiscal 2007 is off to a good start, with increased first quarter revenues and operating income in both divisions. In addition, earnings from continuing operations improved for the fifth consecutive quarter.

Operations (in millions except per share)	First Quarter Fiscal 2007 August 24, 2006	First Quarter Fiscal 2006 August 25, 2005	% Change
Total revenues	\$93.4	\$86.2	8.3%
Operating income	21.2	18.5	14.6
Earnings from continuing operations	13.7	12.4	10.7
Earnings per share from continuing operations (diluted)	0.45	0.40	12.5
Net earnings <sup>(1)</sup>	13.7	15.5	(11.5)
Net earnings per share (diluted) <sup>(1)</sup>	0.45	0.50	(10.0)

<sup>(1)</sup>Net earnings for the first quarter of fiscal 2006 included net after-tax gains of \$3.1 million or \$0.10 per diluted share from discontinued operations. The company's former limited-service lodging division, Miramonte Resort and vacation ownership development have been classified as discontinued operations.

## INVESTOR DATA

As of August 24, 2006, the end of the company's most recently reported fiscal quarter:

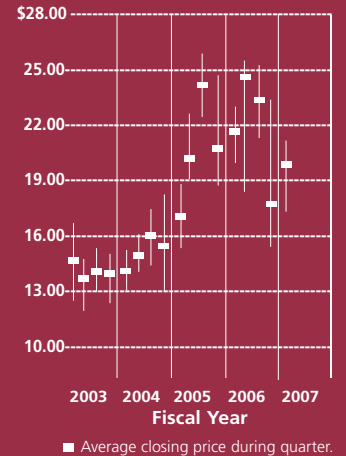
52-Week Stock Price Range:	\$ 12.87 – 21.68
Closing Stock Price – most recent quarter end:	\$ 19.81
Average Daily Trading Volume – trailing 12 months:	115,670
Book Value Per Share:	\$ 10.18
Fiscal 2006 Earnings Per Share From Continuing Operations:	\$ 0.73
Trailing 12-Month Earnings Per Share from Continuing Operations:	\$ 0.78
Trailing 12-Month Price-Earnings Ratio (net):	22.8
Trailing 12-Month EBITDA (continuing operations):	\$ 68.3 million <sup>(1)</sup>
Shares Outstanding (diluted):	30.4 million
Market Capitalization:	\$ 602 million
Enterprise Value (includes debt net of cash):	\$ 736 million
Enterprise Value/EBITDA Ratio:	10.77 <sup>(1)</sup>
Annual Dividend Per Share:	\$ 0.30
Current Yield:	1.5%
Shareholders' Equity:	\$ 309.5 million
Long-Term Debt, including current maturities:	\$ 181.0 million
Debt/Total Capitalization Ratio:	37%
Insider Holdings (% of Common and Class B Stock):	30%
Number of Employees:	5,300

<sup>(1)</sup>EBITDA stands for earnings before interest, taxes, depreciation and amortization. On our financial statements, it can be calculated by adding Depreciation and Amortization to Operating Income.

## COMPANY STRENGTHS

- Manage for the long term
- Significant real estate assets
- Maintain and enhance existing assets
- Strong balance sheet
- Continually adapt to change
- Focus on quality and value
- Experienced management team

## QUARTERLY COMMON STOCK PRICE RANGE



## THE BUSINESS

Founded in 1935 with the purchase of a single movie theatre, The Marcus Corporation today has two operating divisions: Marcus Theatres® and Marcus Hotels and Resorts. The Marcus Corporation is included in numerous indexes including the Standard & Poor's SmallCap 600 Index and the Russell 2000 Index.

## INVESTOR CONTACT

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## ANALYST COVERAGE

Robert W. Baird & Co.  
Midwest Invest  
Sidoti & Co. LLC  
Value Line

## INVESTOR WEB SITE

The Marcus Corporation's investor Web site can be accessed by going to The Marcus Corporation home page at [www.marcuscorp.com](http://www.marcuscorp.com) and then clicking on "investor information." Interested individuals can register to be notified by e-mail when new information is added to the site.

# MARCUS THEATRES®

## AT A GLANCE (As of August 24, 2006)

- 501 screens (owned or managed) at 44 locations in Wisconsin, Illinois, Ohio and Minnesota.
- Ninth largest theatre circuit in the U.S.
- Average 11.4 screens per location.
- Stadium seating in nearly 90% of first-run theatres.

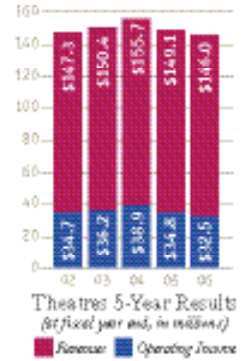


## RECENT HIGHLIGHTS

- Third straight quarter of improved operating income.
- Attendance up over 6% in the first quarter, driving improvements in both revenues and operating income.

*The Majestic,  
Brookfield, Wisconsin*

- Construction underway on *The Majestic*, the company's new 16-screen flagship theatre in Brookfield, Wis. This unique entertainment destination will include two signature *UltraScreens®* and a multi-use venue for various forms of entertainment such as comedy acts, popular local bands, broadcast concerts and sporting events, meetings and regular screenings of first-run movies. Restaurants and a cocktail lounge will further enhance the customer experience.
- Two new theatres in Wisconsin, a 13-screen theatre in Sturtevant (Racine) and a 12-screen theatre in Green Bay, are scheduled to open in mid-November.
- Testing digital cinema hardware and software at several theatre locations.



## GROWTH STRATEGIES

- Add new theatres and screens in select markets where a growing population drives demand.
- Current emphasis on replacing and enhancing existing theatres including further expansion of successful *UltraScreen* concept.
- Upgrading and remodeling 28 existing theatres with new art-deco design.
- Further increase industry-leading operating margins with a continued emphasis on expanding ancillary revenues.

# MARCUS HOTELS AND RESORTS

## AT A GLANCE (As of August 24, 2006)

### Company-Owned Properties

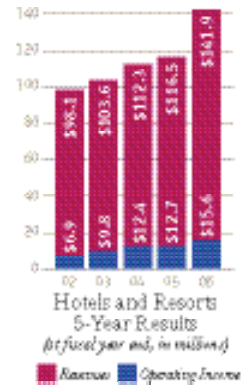
- Four Points by Sheraton Chicago Downtown/Magnificent Mile, Chicago, Ill.
- Grand Geneva Resort & Spa, Lake Geneva, Wis.
- Hilton Madison at Monona Terrace, Madison, Wis.
- Hilton Milwaukee City Center, Milwaukee, Wis.
- Hotel Phillips, Kansas City, Mo.
- The Pfister Hotel, Milwaukee, Wis.
- Westin Columbus, Columbus, Ohio
- Wyndham Milwaukee Center, Milwaukee, Wis.
- Skirvin Hilton, Oklahoma City, Okla. (opening February 2007)

### Managed Properties

- Beverly Garland's Holiday Inn, North Hollywood, Calif.
- Crowne Plaza - Northstar, Minneapolis, Minn.
- Hilton Garden Inn-Houston Northwest, Houston, Texas
- Hotel Mead, Wisconsin Rapids, Wis.
- Timber Ridge Lodge and Water Park, Lake Geneva, Wis.
- Marcus Vacation Club at Grand Geneva, Lake Geneva, Wis.
- Brynwood Country Club, Milwaukee, Wis.
- The Platinum Hotel & Spa, Las Vegas, Nev (opening October 2006)

properties, including the *Four Points by Sheraton Chicago Downtown/Magnificent Mile* and the *Westin Columbus* hotel in Columbus, Ohio, contributed to the improvement.

- Sold the remaining inventory at the *Marcus Vacation Club at Grand Geneva* vacation ownership development. Will continue to provide hospitality management services.
- *The Platinum Hotel & Spa*, a joint-venture luxury condominium hotel project in Las Vegas, is scheduled to open in October 2006.
- Renovation continuing on the *Skirvin Hilton* hotel in Oklahoma City, Okla., which is scheduled to open in February 2007.
- Major remodeling projects underway at the *Wyndham Milwaukee Center*, the *Grand Geneva Resort & Spa* and *The Pfister Hotel*.



## GROWTH STRATEGIES

- Increase the number of rooms owned or managed to 6,000 over the next three to four years.
- Achieve expansion primarily through management contracts. May also make equity investments in managed properties.
- Continue to maintain and enhance existing properties to reflect changing customer tastes and preferences.
- Capitalize on the proven ability to manage a distinctive portfolio of properties.
- Expanded development team pursuing strong pipeline of potential new opportunities.

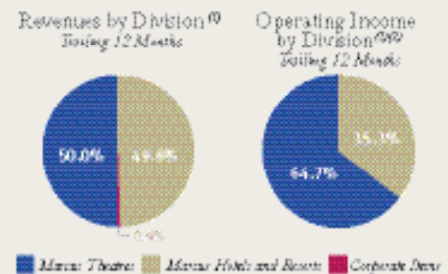
*Grand Geneva Resort & Spa,  
Lake Geneva, Wisconsin*



## RECENT HIGHLIGHTS

- First quarter operating income up 28.0%.
- Revenue per available room (RevPAR) for comparable properties increased 7.2% in the first quarter. New

## FINANCIAL HIGHLIGHTS



(1) Restated to present limited-service lodging, the Miramonte Resort, Marcus Vacation Club and restaurant operations as discontinued operations and to reflect adoption of EITF No. 00-14, "Accounting for Certain Sales Incentives."

(2) Excludes corporate items.

## Forward-Looking Statement:

Certain matters discussed in this Fact Sheet are "forward-looking statements" intended to qualify for the safe harbors from liability established by the Private Securities Litigation Reform Act of 1995. These forward-looking statements may generally be identified as such because the context of such statements will include words such as we "believe," "anticipate," "expect" or words of similar import. Similarly, statements that describe our future plans, objectives or goals are also forward-looking statements. Such forward-looking statements are subject to certain risks and uncertainties that could cause results to differ materially from those expected, including, but not limited to, the following: (1) the availability, in terms of both quantity and audience appeal, of motion pictures for our theatre division, as well as other industry dynamics such as the maintenance of a suitable window between the date such motion pictures are released in theatres and the date they are released to other distribution channels; (2) the effects of increasing depreciation expenses and preopening and start-up costs due to the capital intensive nature of our businesses; (3) the effects of adverse economic conditions in our markets, particularly with respect to our hotels and resorts division; (4) the effects of adverse weather conditions, particularly during the winter in the Midwest and in our other markets; (5) the effects on our occupancy and room rates from the relative industry supply of available rooms at comparable lodging facilities in our markets; (6) the effects of competitive conditions in our markets; (7) our ability to identify properties to acquire, develop and/or manage and continuing availability of funds for such development; and (8) the adverse impact on business and consumer spending on travel, leisure and entertainment resulting from terrorist attacks in the United States, the United States' responses thereto and subsequent hostilities. Shareholders, potential investors and other readers are urged to consider these factors carefully in evaluating the forward-looking statements and are cautioned not to place undue reliance on such forward-looking statements. The forward-looking statements made herein are made only as of the date of this Fact Sheet and we undertake no obligation to publicly update such forward-looking statements to reflect subsequent events or circumstances.