

fact sheet

investor fact sheet



The Marcus Corporation

(NYSE:MCS)
Third Quarter
Fiscal 2003

A Diversified Leader in Lodging and Entertainment

What's New

The Marcus Corporation is working to increase revenues and maximize the return on major investments made in each of its businesses over the past few years. The company has made substantial progress in a number of key areas to position itself for revenue and profit improvement in the years ahead including:

- Solidifying the reputation of Marcus Theatres as a leader in its markets, with seven consecutive quarters of record revenues and operating income.
- Defining and building the Baymont Inns & Suites brand with a goal of being "best in class" in mid-price lodging.

- Completing several major hotel projects and expanding the number of hotel management contracts.

The Business

The Marcus Corporation's operations include limited-service lodging, full-service hotels and resorts and movie theatres. Founded in 1935 with the purchase of a single movie theatre, the company currently has 250 operations in 33 states. The Marcus Corporation is included in numerous indexes including the Standard & Poor's SmallCap 600 Index and the Russell 2000 Index.

Third Quarter and Nine Month Highlights

- For the third quarter of fiscal 2003, total revenues increased 4.4% to \$91,986,000. Operating income increased 19.7% to \$7,750,000, net earnings increased 14.4% to \$1,735,000 and net earnings per share increased 20.0% to \$0.06 per diluted share.
- Marcus Theatres reported its seventh consecutive quarter of record revenues and operating income, surpassing a very strong third quarter in the prior year. Marcus Theatres had a strong holiday season and the upcoming spring and summer film product has excellent potential.
- Marcus Hotels and Resorts reported a slight increase in revenues and a 0.8% increase in revenue per available room (RevPAR) for the third quarter, continuing its steady improvement over the prior year's results. The improvement was aided by the company's newest properties and by the strong performance of the Hilton Milwaukee City Center, following the completion of a four-year capital expenditure program.
- RevPAR for the Baymont Inns & Suites division increased 8% in the third quarter, which is significantly better than the industry average for its segment. Baymont Inns gained market share for the third consecutive quarter, as the chain continues to build market awareness and more fully utilize all channels of distribution. Operating income comparisons were affected by significant profits in the prior year's third quarter at its Salt Lake City property during the Winter Olympics and cost increases in the third quarter of this year in several areas, most notably higher energy costs.
- For the first three quarters of fiscal 2003, total revenues increased 4.2% to \$300,350,000. Operating income rose 10.5% to \$40,657,000 and earnings from continuing operations were \$16,658,000 or \$0.57 per diluted share. Net earnings were \$17,874,000 or \$0.61 per diluted share for the first three quarters of fiscal 2003, compared to earnings from continuing operations and net earnings of \$18,168,000 or \$0.62 per diluted share for the same period in the prior year.



Corporate Profile

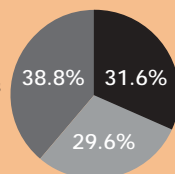
The Marcus Corporation owns, operates or franchises (as of March 20, 2003):

- 181 Baymont Inns & Suites in 31 states (93 company-owned and 88 franchised); 7 Woodfield Suites in Wisconsin, Illinois, Colorado, Ohio and Texas; and one Budgetel Inn in Wisconsin.
- 488 movie screens (owned or managed) at 46 locations in Wisconsin, Ohio, Illinois and Minnesota.
- 6 company-owned hotels and resorts: 4 in Wisconsin, 1 in Missouri and 1 in California.
- 5 managed hotels and 1 vacation ownership development: 3 in Wisconsin, 1 in Minnesota, 1 in California and 1 in Texas.
- 1 family entertainment center in Wisconsin.
- Headquarters: Milwaukee, Wisconsin



Revenue by Division*
Trailing 12 Months

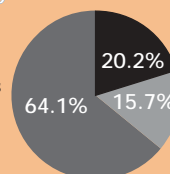
- Baymont Inns & Suites⁽¹⁾
- Marcus Hotels and Resorts
- Marcus Theatres



Operating Income by Division*
Trailing 12 Months

- Baymont Inns & Suites⁽¹⁾
- Marcus Hotels and Resorts
- Marcus Theatres

⁽¹⁾ Includes Woodfield Suites
* Excludes corporate items





overview

division overviews

Marcus Theatres

Leading its Markets and the Industry



UltraScreen™

At a Glance

- 488 screens (owned or managed) at 46 locations in Wisconsin, Illinois, Ohio and Minnesota.
- 10th largest theatre circuit in the U.S., the largest in the Midwest and one of the most profitable in the country.
- A leader in its markets.

Recent Highlights

- Achieved seven consecutive quarters of record results.

- Began managing theatres for other owners with 34 screens at three theatres in Chicago. Added second management contract for a new theatre in Wisconsin.
- First U.S. theatre chain to introduce print-at-home ticketing for all its first-run theatres.
- 85% of first-run theatres equipped with stadium seating, the highest percentage of stadium seating among the top 20 chains in the country.

Baymont Inns & Suites

Building a "Best in Class" Chain



Ovations Rooms™

At a Glance

- Baymont Inns & Suites provides mid-price limited-service lodging.
- 181 Baymont Inns & Suites in 31 states (93 company-owned or operated and 88 franchised), seven Woodfield Suites (all-suites) properties in five states, and one Budgetel Inn in Wisconsin.

Recent Highlights

- Building the Baymont brand through enhanced amenities, new sales and marketing programs and a focus on business travelers.
- Gained market share for three consecutive quarters in a challenging environment for the lodging industry.

- Initiated a public awareness campaign to help travelers better understand the dangers of – and prevent – falling asleep at the wheel. Baymont Inns' more than 180 properties invite road weary travelers to stop in for a quick break and enjoy coffee or bottled water before continuing on their way.
- New *Ovations Rooms™*, featuring upgraded bed and bath amenities and bottled water in each room – an industry first – are receiving a positive guest response.
- *Guest Ovations™* frequent stay program has already attracted over 220,000 members and contributed over 29% of Baymont Inns revenues during the third quarter.

Marcus Hotels and Resorts

Managing a Portfolio of Distinctive Properties



Grand Geneva Resort & Spa

At a Glance

Company-Owned Properties:

- Grand Geneva Resort & Spa, Lake Geneva, Wisconsin.
- Hilton Milwaukee City Center, Milwaukee, Wisconsin.
- Miramonte Resort, Indian Wells, California.
- Pfister Hotel, Milwaukee, Wisconsin.
- Hilton Madison at Monona Terrace, Madison, Wisconsin.
- Hotel Phillips, Kansas City, Missouri.

Managed Properties:

- Beverly Garland's Holiday Inn, North Hollywood, California.
- Crowne Plaza-Northstar, Minneapolis, Minnesota.
- Hotel Mead, Wisconsin Rapids, Wisconsin.

- Timber Ridge Lodge and Water Park, Lake Geneva, Wisconsin.
- Hilton Garden Inn-Northwest, Houston, Texas.
- Marcus Vacation Club at Grand Geneva, Lake Geneva, Wisconsin.

Recent Highlights

- Opened the 240-room Hotel Phillips, a downtown Kansas City, Missouri, landmark after a complete renovation and restoration. Now returned to its former grandeur, the Hotel Phillips is once again the city's premier hotel.
- Expanded properties under management with Timber Ridge Lodge and Water Park, a 225-unit condominium hotel adjacent to the Grand Geneva Resort & Spa in Lake Geneva, Wisconsin,

"We continued to make steady improvement in the third quarter, with revenues up in all three of our divisions and operating income up nearly 20%."

– Steve Marcus

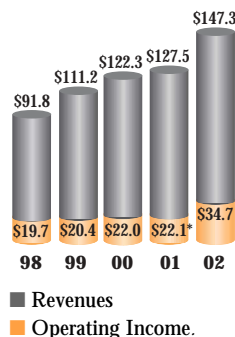
- Average screens per location is 10.6, above the average for the top 10 chains.
- Emphasis on owned real estate enabled Marcus Theatres to avoid the financial difficulties experienced by many other chains.
- Third 75-foot-wide *UltraScreen*™ opened in Appleton, Wisconsin.

- Add new screens in selected markets where a growing population drives demand.
- Pursue additional theatre management contracts.
- Use strong financial base to maintain leadership position.

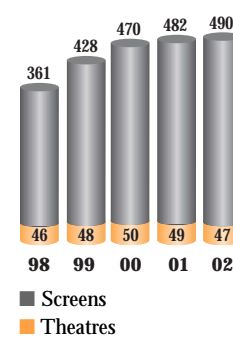
Growth Strategies

- Increase the return from existing locations.

Theatres 5-year Results
(at fiscal year end, in millions)



Screens & Theatres
(at fiscal year end)



*Excludes a \$3.5 million pre-tax impairment charge.

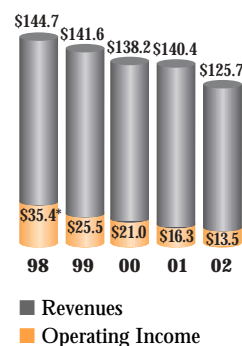
- Achieved over 30% increase in monthly reservations booked through the new reservation system.
- Improving brand awareness with new ads appearing on cable channels including CNN, MSNBC, ESPN and The Weather Channel.
- Earned national recognition with the "Best Hotel Value Award" from *Entrepreneur* magazine and first place ranking from *Business Traveler News* for overall relationship between price and value.

- Expand franchise development.
- In addition to franchising, growth strategies include, joint-venture new builds, acquisitions and conversions with a focus on strategic markets. Baymont Inns' first urban property under construction in downtown Chicago is expected to open in 2004. A new joint-venture property in Ontario, California, will be the first Baymont Inn in California and will establish Baymont Inns' presence in the greater Los Angeles market and on the West Coast. The Ontario property is part of an initiative to promote the development of Baymont Inns in strategic metropolitan markets.

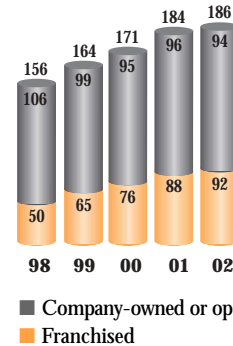
Growth Strategies

- Continue to define and build the Baymont Inns brand with goal of being "best in class."

Baymont/Woodfield 5-year Results
(at fiscal year end, in millions)



Baymont Inns & Suites
(at fiscal year end)



*Excludes a \$3.9 million pre-tax charge related to Baymont name change.

and the Hilton Garden Inn-Northwest in Houston, Texas.

- Pfister Hotel named winner of the "2002 World's Best Business Hotel" award for Milwaukee by *Travel & Leisure* magazine. One of only 35 hotels in North America ranked by the magazine's readers as "superior."
- Completed a major capital expenditure program at the Hilton Milwaukee City Center that added new hotel rooms, restaurants, an indoor water park and a new parking structure.
- Completed major guest room renovations at the Pfister Hotel and Grand Geneva Resort & Spa and

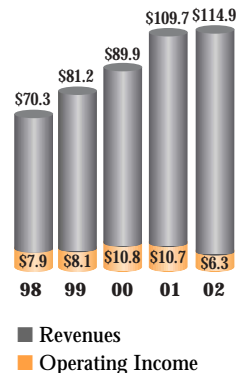
an expansion of the spa at the Grand Geneva.

- Began construction of additional units at the vacation ownership development at the Grand Geneva.

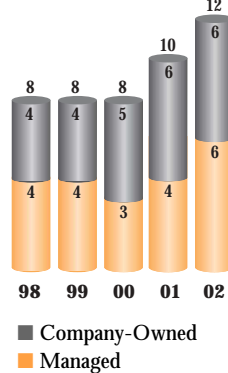
Growth Strategies

- Increase the number of rooms managed or owned to 6,000 over the next three to five years.
- Achieve expansion primarily through management contracts, with the possibility of some partial equity interests.
- Capitalize on the proven ability to manage distinctive properties to become the premier hotel management company in the country.

Hotels and Resorts 5-year Results
(at fiscal year end, in millions)



Properties
(at fiscal year end)

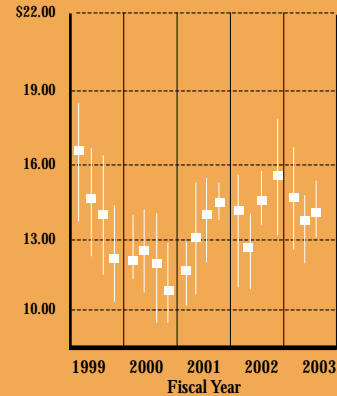


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At February 27, 2003, the end of the company's most recent fiscal quarter.

NYSE Symbol:	MCS
52-Week Stock Price Range:	\$ 17.98-11.90
Closing Stock Price - Most Recent Quarter End:	\$ 13.91
Book Value/Share:	\$ 12.53
Trailing 12-Month Earnings Per Share from Continuing Operations:	\$ 0.71
Trailing 12-Month Price-Earnings Ratio (net):	18.5
Trailing 12-Month EBITDA Per Share:	\$ 3.28
Fiscal 2002 EPS from Continuing Operations:	\$ 0.76
Shares Outstanding (diluted):	29.5 million
Market Capitalization:	\$408.9 million
Enterprise Value (includes debt net of cash):	\$676.8 million
Trailing 12-Month Enterprise Value/EBITDA Ratio:	7.0
Annual Dividend Per Share:	\$ 0.22
Current Yield:	1.6%
Shareholders' Equity:	\$368.2 million
Long-Term Debt, including Current Maturities:	\$274.4 million
Debt/Total Capitalization Ratio:	42.7%
Insider Holdings (% of Common and Class B stock):	32%
Fiscal Year End:	May 29, 2003
Number of Employees:	8,000

Quarterly Common Stock Price Range



■ Average closing price during quarter.

Dividend Reinvestment Plan:

The Marcus Corporation has a dividend reinvestment plan through which shareholders may invest their cash dividends and make supplemental cash investments.

Members of the National Association of Investors Corporation (NAIC) may also participate in the Dividend Reinvestment Plan through the NAIC Low Cost Investment Plan.

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Analyst Coverage:

Robert W. Baird & Company
Value Line

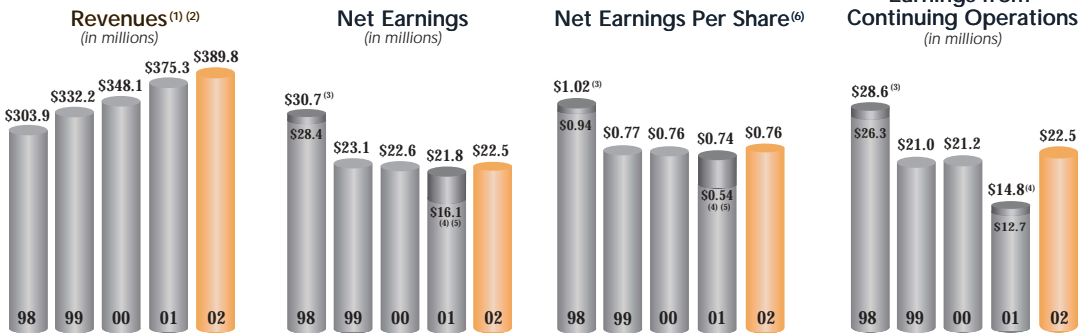
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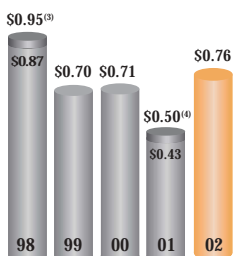
Investor Web Site:

The Marcus Corporation's investor Web site meets the needs of both current and potential investors. The site can be accessed by going to The Marcus Corporation home page at www.marcuscorp.com and then clicking on investor information. There is a multitude of information available, from stock price and performance data to news releases, shareholder information and the company's latest annual report. Interested individuals can also register to be notified by e-mail when new information is added to the site.

fiscal 2002 highlights



Earnings Per Share from Continuing Operations



- (1) Excludes discontinued restaurant operations.
- (2) Revenues have been restated to reflect the current year's presentation.
- (3) Excludes charge of \$2.3 million or \$0.08 per share for costs associated with the Baymont name change.
- (4) Excludes impairment charge of \$2.1 million or \$0.07 per share.
- (5) Excludes gain of \$7.8 million or \$0.27 per share on sale of discontinued operations.
- (6) All per share data is on a diluted basis.

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 which could cause results to differ materially from those expected, including, but not limited to, the following: (i) our ability to successfully define and build the Baymont brand within the "limited-service, mid-price without food and beverage" segment of the lodging industry; (ii) the availability, in terms of both quantity and audience appeal, of motion pictures for our theatre division; (iii) the effects of increasing depreciation expenses and pre-opening and start-up costs due to the capital intensive nature of our businesses; (iv) the effects of adverse economic conditions in our markets, particularly with respect to our limited-service lodging and hotels and resorts divisions; (v) the effects of adverse weather conditions, particularly during the winter in the Midwest and in our other markets; (vi) the effects on our occupancy and room rates from the relative industry supply of available rooms at comparable lodging facilities in our markets; (vii) the effects of competitive conditions in the markets served by us; (viii) our ability to identify properties to acquire, develop and/or manage and continuing availability of funds for such development; and (ix) the adverse impact on business and consumer spending on travel, leisure and entertainment resulting from the September 11, 2001 terrorist attacks in the United States, the United States' responses thereto and subsequent related 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.

Marcus Corporation Strengths

- A leader in its markets
- Growth strategy for each division
- Long-term approach
- Emphasis on owned real estate
- Strong balance sheet
- Diversity of operations
- Experienced management team