

National CineMedia, Inc.
Form 8-K
February 26, 2015

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d)

of the Securities Exchange Act of 1934

Date of Report (Date of Earliest Event Reported): February 26, 2015 (February 23, 2015)

National CineMedia, Inc.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction

of incorporation)

001-33296
(Commission

file number)
9110 E. Nichols Ave., Suite 200

20-5665602
(IRS employer

identification no.)

Edgar Filing: National CineMedia, Inc. - Form 8-K

Centennial, Colorado 80112-3405

(Address of principal executive offices, including zip code)

(303) 792-3600

(Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2 below):

- .. Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- .. Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- .. Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 210.14d-2(b))
- .. Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 2.02 Results of Operations and Financial Condition.

On February 26, 2015, National CineMedia, Inc. (the Company) issued a press release announcing its financial results for the fiscal fourth quarter and full year ended January 1, 2015. A copy of the press release is furnished as Exhibit 99.1 to this report.

In accordance with General Instruction B.2 of Form 8-K, the information in this Current Report on Form 8-K, including Exhibit 99.1, shall not be deemed to be filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the Exchange Act), or otherwise subject to the liability of that section, and shall not be incorporated by reference into any registration statement or other document filed under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in such filing.

**Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers
Compensatory Arrangements of Certain Officers.**

On February 23, 2015, the Compensation Committee of the Board of Directors of National CineMedia, Inc. (the Company) reviewed the 2014 performance-based bonus awards for the Chief Executive Officer, the President of Sales and Marketing, the EVP and General Counsel and the EVP, Chief Operating Officer and Chief Technology Officer to determine whether and to what extent the performance goals established by the Committee for 2014 had been achieved. These cash bonus awards were granted pursuant to the Executive Performance Bonus Plan for executive officers adopted by the Compensation Committee on March 13, 2013 and approved by stockholders on May 1, 2013.

In addition, on February 23, 2015, the Compensation Committee of the Board of Directors of the Company approved 2014 bonus awards for the Company's SVP, Finance and Interim Co-Chief Financial Officer and its SVP, Controller and Interim Co-Chief Financial Officer. These individuals were not awarded bonuses for 2014 pursuant to the Executive Performance Bonus Plan.

Executive Performance Bonus Plan

2014 Performance Bonus Award Measurement

The financial performance criteria and applicable weights for financial performance criteria for the 2014 performance-based cash bonuses for the 2014 fiscal year are as follows:

Name	Up to 100% of Target Bonus			Stretch Bonus (4)
	Adjusted OIBDA (1)	Adjusted advertising revenue (2)	Technology and Operations operating and capital expenditures budget (3)	Adjusted OIBDA
Kurt C. Hall, President, CEO & Chairman	100%	0%	0%	100%
Clifford E. Marks, President of Sales & Marketing	0%	100%	0%	100%

Edgar Filing: National CineMedia, Inc. - Form 8-K

Ralph E. Hardy, EVP & General Counsel	100%	0%	0%	100%
Alfonso P. Rosabal, Jr., EVP, COO & CTO	75%	0%	25%	100%

- 1) The performance bonus potential is based on the percentage of Adjusted OIBDA (a non-GAAP measure defined as consolidated net income plus income tax expense, interest and other non-operating expenses, depreciation and amortization, share-based compensation, merger-related administrative costs, make-good liability shifted into 2015 and other costs, minus revenue from advertising by NCM LLC's founding members' beverage supplier) target achieved as follows. Straight line interpolation is applied to performance between the levels shown.

Percentage of Adjusted OIBDA Target Achieved	% of Target Bonus
Less than or equal to 80%	0%
80%	25%
95%	90%
100%	100%

- 2) The performance bonus potential is based on the percentage of adjusted advertising revenue (a non-GAAP measure defined as advertising revenue plus adjusting items) target achieved as follows. Straight line interpolation is applied to performance between the levels shown.

Percentage of Adjusted Advertising Revenue Target Achieved	% of Target Bonus
Less than or equal to 80%	0%
80%	50%
90%	80%
95%	90%
100%	100%

- 3) No performance bonus is payable for 25% of Mr. Rosabal's award if the actual annual operating expenditures and capital expenditures, including any capitalized overhead, on an aggregate basis exceed 100% of budget.
- 4) The 2014 Stretch Bonus potential is 50% of the Performance Bonus paid times the percentage that Adjusted OIBDA is in excess of budget (capped at 10%), divided by 10%.

Results under the 2014 Grant Performance Criteria

Based on the actual operating results of the Company, the Adjusted OIBDA was 85.1% of the performance bonus target, Adjusted Advertising Revenue was 89.0% of the performance bonus target and Technology and Operations operating and capital spending was below budget.

2014 Cash Bonus Payments

Based on the performance against targets and taking into consideration the factors below, on February 23, 2015, the Compensation Committee of the Company approved payment of the following cash bonuses for 2014 under the Executive Performance Bonus Plan:

Name	Performance Bonus Results			
	Target Award as a % of Salary (1)	Actual Achievement as a % of Target	Actual Award as a % of Target	Total Award Amount
Kurt C. Hall	100%	85.1%	47.1%	\$ 367,452
Clifford E. Marks	100%	89.0%	77.0%	\$ 579,472
Ralph E. Hardy	75%	85.1%	47.1%	\$ 103,244
Alfonso P. Rosabal, Jr.	75%	88.8%	60.3%	\$ 121,409

(1) Percentage of base salary determined at the end of our 2014 fiscal year (January 1, 2015).

Bonuses Paid to the Interim Co-Chief Financial Officers

2014 Bonus Awards Measurement

The financial performance criteria and applicable weights for financial performance criteria for the 2014 cash bonuses for the 2014 fiscal year for the Interim Co-Chief Financial Officers are as follows:

Name	Up to 100% of Target Bonus		Stretch Bonus (1)
	Adjusted OIBDA (1)	Individual Performance (2)	Adjusted OIBDA
David J. Oddo, SVP, Finance & Interim Co-CFO	75%	25%	100%
Jeffrey T. Cabot, SVP, Controller & Interim Co-CFO	75%	25%	100%

- 1) The performance bonus potential for Adjusted OIBDA and the stretch bonus are consistent with those described in footnote 1 and 4 to the Executive Performance Bonus Plan Summary table above.
- 2) The individual performance targets are based upon the individual's personal performance during the 2014 fiscal year.

2014 Cash Bonus Payments

Based on the performance against targets, on February 23, 2015, the Compensation Committee of the Company approved payment of the following cash bonuses for 2014 to the Interim Co-Chief Financial Officers:

Target Award as a % of	Actual Achievement as a % of Target	Performance Results			Total Award Amount
		Actual Award as a % of	Adjusted OIBDA Award (75% Weighting)	Individual Performance Award (25% Weighting)	

Edgar Filing: National CineMedia, Inc. - Form 8-K

	of	Target				
	Salary (1)					
David J. Oddo	40%	88.8%	60.3%	\$ 24,898	\$ 17,627	\$ 42,525
Jeffery T. Cabot	40%	88.8%	60.3%	\$ 27,857	\$ 19,722	\$ 47,579

(1) Percentage of base salary determined at the end of our 2014 fiscal year (January 1, 2015).

Item 9.01 Financial Statements and Exhibits

(d) Exhibits

Exhibit No.	Description
99.1	Press Release of National CineMedia, Inc. dated February 26, 2015.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Company has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

NATIONAL CINEMEDIA, INC.

Dated: February 26, 2015

By: /s/ Ralph E. Hardy
Ralph E. Hardy
Executive Vice President, General Counsel and
Secretary