

AMC ENTERTAINMENT HOLDINGS, INC.
Form 10-Q
August 05, 2015

Use these links to rapidly review the document

[TABLE OF CONTENTS](#)

[Table of Contents](#)

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
WASHINGTON, D.C. 20549

FORM 10-Q

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934**

For the quarterly period ended June 30, 2015

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934**

For the transition period from _____ to _____
Commission file number 001-33892

AMC ENTERTAINMENT HOLDINGS, INC.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of
incorporation or organization)

26-0303916

(I.R.S. Employer
Identification No.)

One AMC Way

11500 Ash Street, Leawood, KS

(Address of principal executive offices)

66211

(Zip Code)

Registrant's telephone number, including area code: **(913) 213-2000**

Edgar Filing: AMC ENTERTAINMENT HOLDINGS, INC. - Form 10-Q

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulations S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer," and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☐ Accelerated filer ☒ Non-accelerated filer ☐ Smaller reporting company ☐

(Do not check if a
smaller reporting company)

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Title of each class of common stock	Number of shares outstanding as of July 17, 2015
Class A common stock	21,575,532
Class B common stock	75,826,927

Table of Contents

AMC ENTERTAINMENT HOLDINGS, INC.

INDEX

	Page Number
<u>PART I FINANCIAL INFORMATION</u>	
<u>Item 1.</u>	
<u>Financial Statements (Unaudited)</u>	<u>1</u>
<u>Consolidated Statements of Operations</u>	<u>1</u>
<u>Consolidated Statements of Comprehensive Income</u>	<u>2</u>
<u>Consolidated Balance Sheets</u>	<u>3</u>
<u>Consolidated Statements of Cash Flows</u>	<u>4</u>
<u>Notes to Consolidated Financial Statements</u>	<u>5</u>
<u>Item 2.</u>	
<u>Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	<u>27</u>
<u>Item 3.</u>	
<u>Quantitative and Qualitative Disclosures About Market Risk</u>	<u>46</u>
<u>Item 4.</u>	
<u>Controls and Procedures</u>	<u>47</u>
<u>PART II OTHER INFORMATION</u>	
<u>Item 1.</u>	
<u>Legal Proceedings</u>	<u>48</u>
<u>Item 1A.</u>	
<u>Risk Factors</u>	<u>48</u>
<u>Item 2.</u>	
<u>Unregistered Sales of Equity Securities and Use of Proceeds</u>	<u>48</u>
<u>Item 3.</u>	
<u>Defaults Upon Senior Securities</u>	<u>49</u>
<u>Item 4.</u>	
<u>Mine Safety Disclosures</u>	<u>49</u>
<u>Item 5.</u>	
<u>Other Information</u>	<u>49</u>
<u>Item 6.</u>	
<u>Exhibits</u>	<u>50</u>
<u>Signatures</u>	<u>51</u>

Table of Contents**PART I FINANCIAL INFORMATION****Item 1. Financial Statements. (Unaudited)****AMC ENTERTAINMENT HOLDINGS, INC.****CONSOLIDATED STATEMENTS OF OPERATIONS****(in thousands, except per share data)**

	Three Months Ended		Six Months Ended	
	June 30,	June 30,	June 30,	June 30,
	2015	2014	2015	2014
	(unaudited)		(unaudited)	
Revenues				
Admissions	\$ 533,382	\$ 478,667	\$ 952,076	\$ 887,687
Food and beverage	250,516	211,597	451,040	393,361
Other theatre	37,181	36,309	71,087	68,283
Total revenues	821,079	726,573	1,474,203	1,349,331
Operating costs and expenses				
Film exhibition costs	295,416	257,220	518,504	469,320
Food and beverage costs	35,807	30,341	64,315	55,464
Operating expense	205,414	189,283	392,672	368,976
Rent	115,022	113,861	232,943	228,805
General and administrative:				
Merger, acquisition and transaction costs	261	572	1,839	934
Other	17,737	15,149	22,678	33,369
Depreciation and amortization	57,249	51,750	115,026	106,527
Operating costs and expenses	726,906	658,176	1,347,977	1,263,395
Operating income	94,173	68,397	126,226	85,936
Other expense (income)				
Other expense (income)	9,273	(4,157)	9,273	(8,386)
Interest expense:				
Corporate borrowings	24,717	27,989	50,796	57,647
Capital and financing lease obligations	2,331	2,486	4,704	5,011
Equity in earnings of non-consolidated entities	(9,362)	(9,597)	(10,686)	(4,213)
Investment expense (income)	(59)	172	(5,202)	(7,685)
Total other expense	26,900	16,893	48,885	42,374
Earnings from continuing operations before income taxes	67,273	51,504	77,341	43,562
Income tax provision	23,350	20,090	27,280	16,990
Earnings from continuing operations	43,923	31,414	50,061	26,572
Gain (loss) from discontinued operations, net of income taxes		(21)		313
Net earnings	\$ 43,923	\$ 31,393	\$ 50,061	\$ 26,885

Edgar Filing: AMC ENTERTAINMENT HOLDINGS, INC. - Form 10-Q

Basic earnings per share:

Earnings from continuing operations	\$	0.45	\$	0.32	\$	0.51	\$	0.27
Earnings from discontinued operations								0.01

Basic earnings per share	\$	0.45	\$	0.32	\$	0.51	\$	0.28
--------------------------	----	------	----	------	----	------	----	------

Average shares outstanding-Basic		97,978		97,507		97,949		97,505
----------------------------------	--	--------	--	--------	--	--------	--	--------

Diluted earnings per share:

Earnings from continuing operations	\$	0.45	\$	0.32	\$	0.51	\$	0.27
Earnings from discontinued operations								0.01

Diluted earnings per share	\$	0.45	\$	0.32	\$	0.51	\$	0.28
----------------------------	----	------	----	------	----	------	----	------

Average shares outstanding-Diluted		98,037		97,628		97,987		97,628
------------------------------------	--	--------	--	--------	--	--------	--	--------

Dividends declared per basic and diluted common share	\$	0.20	\$	0.20	\$	0.40	\$	0.20
---	----	------	----	------	----	------	----	------

See Notes to Consolidated Financial Statements.

Table of Contents

AMC ENTERTAINMENT HOLDINGS, INC.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(in thousands)

	Three Months Ended		Six Months Ended	
	June 30,	June 30,	June 30,	June 30,
	2015	2014	2015	2014
	(unaudited)		(unaudited)	
Net earnings	\$ 43,923	\$ 31,393	\$ 50,061	\$ 26,885
Foreign currency translation adjustment, net of tax	(695)	(599)	281	(433)
Pension and other benefit adjustments:				
Net loss arising during the period, net of tax			(45)	
Prior service credit arising during the period, net of tax			746	
Less: reclassification adjustment for net (gain) loss realized in net earnings, net of tax	6	(210)	(1,693)	(421)
Less: reclassification adjustment for prior service credit realized in net earnings, net of tax		(254)	(1,762)	(508)
Less: reclassification adjustment for curtailment gain realized in net earnings, net of tax			(7,239)	
Less: reclassification adjustment for settlement gain realized in net earnings, net of tax			(175)	
Unrealized net gain on marketable securities:				
Unrealized net holding gain (loss) arising during the period, net of tax	(382)	1,340	443	3,359
Less: reclassification adjustment for net gain realized in net earnings, net of tax	(145)	(11)	(149)	(15)
Unrealized net gain from equity method investees' cash flow hedge:				
Unrealized net holding gain arising during the period, net of tax	(21)	(240)	(382)	(272)
Less: reclassification adjustment for net loss realized in net earnings, net of tax	117	132	239	263
Other comprehensive income (loss)	(1,120)	158	(9,736)	1,973
Total comprehensive income	\$ 42,803	\$ 31,551	\$ 40,325	\$ 28,858

See Notes to Consolidated Financial Statements.

Table of Contents**AMC ENTERTAINMENT HOLDINGS, INC.****CONSOLIDATED BALANCE SHEETS****(in thousands, except share data)**

	June 30, 2015	December 31, 2014
	(unaudited)	
ASSETS		
Current assets:		
Cash and equivalents	\$ 179,340	\$ 218,206
Receivables, net	81,849	99,252
Deferred tax asset	108,071	107,938
Other current assets	93,291	84,343
Total current assets	462,551	509,739
Property, net	1,278,216	1,247,230
Intangible assets, net	221,112	225,515
Goodwill	2,289,800	2,289,800
Deferred tax asset	51,445	73,844
Other long-term assets	436,201	417,604
Total assets	\$ 4,739,325	\$ 4,763,732
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 268,891	\$ 262,635
Accrued expenses and other liabilities	153,604	136,262
Deferred revenues and income	176,806	213,882
Current maturities of corporate borrowings and capital and financing lease obligations	17,615	23,598
Total current liabilities	616,916	636,377
Corporate borrowings	1,748,920	1,775,132
Capital and financing lease obligations	97,662	101,533
Exhibitor services agreement	316,009	316,815
Other long-term liabilities	437,402	419,717
Total liabilities	3,216,909	3,249,574
Commitments and contingencies		
Class A common stock (temporary equity) (\$.01 par value, 167,211 shares issued and 130,442 shares outstanding as of June 30, 2015; 173,150 shares issued and 136,381 shares outstanding as of December 31, 2014)	1,364	1,426
Stockholders' equity:		
Class A common stock (\$.01 par value, 524,173,073 shares authorized; 21,445,090 shares issued and outstanding as of June 30, 2015; 21,423,839 shares issued and outstanding as of December 31, 2014)	214	214
Class B common stock (\$.01 par value, 75,826,927 shares authorized; 75,826,927 shares issued and outstanding as of June 30, 2015 and December 31, 2014)	758	758
Additional paid-in capital	1,179,782	1,172,515
Treasury stock (36,769 shares as of June 30, 2015 and December 31, 2014, at cost)	(680)	(680)

Edgar Filing: AMC ENTERTAINMENT HOLDINGS, INC. - Form 10-Q

Accumulated other comprehensive income	3,108	12,844
Accumulated earnings	337,870	327,081
Total stockholders' equity	1,521,052	1,512,732
Total liabilities and stockholders' equity	\$ 4,739,325	\$ 4,763,732

See Notes to Consolidated Financial Statements.

Table of Contents

AMC ENTERTAINMENT HOLDINGS, INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS

(in thousands)

	Six Months Ended June 30, 2015	June 30, 2014
	(unaudited)	
Cash flows from operating activities:		
Net earnings	\$ 50,061	\$ 26,885
Adjustments to reconcile net earnings to net cash provided by operating activities:		
Depreciation and amortization	115,026	106,527
Gain on extinguishment of debt		(8,544)
Amortization of net premium on corporate borrowings	660	738
Deferred income taxes	28,624	15,440
Theatre and other closure expense	2,311	6,863
Loss (gain) on dispositions	281	(469)
Stock-based compensation	7,178	7,668
Equity in earnings and losses from non-consolidated entities, net of distributions	(267)	6,360
Landlord contributions	23,717	20,495
Deferred rent	(12,220)	(8,161)
Net periodic benefit credit	(18,003)	(1,709)
Change in assets and liabilities:		
Receivables	33,170	46,142
Other assets	(8,626)	(1,785)
Accounts payable	5,754	(22,751)
Accrued expenses and other liabilities	(31,469)	(88,065)
Other, net	(3,282)	614
Net cash provided by operating activities	192,915	106,248
Cash flows from investing activities:		
Capital expenditures	(143,757)	(115,208)
Investments in non-consolidated entities	(192)	(1,060)
Proceeds from the disposition of long-term assets	604	9
Other, net	(915)	1,540
Net cash used in investing activities	(144,260)	(114,719)
Cash flows from financing activities:		
Proceeds from issuance of Senior Subordinated Notes due 2025	600,000	
Proceeds from issuance of Senior Subordinated Notes due 2022		375,000
Repurchase of Senior Subordinated Notes due 2020	(626,114)	
Repurchase of Senior Notes due 2019		(639,728)
Payment of initial public offering costs		(281)
Cash used to pay dividends	(39,301)	(19,489)
Deferred financing costs	(11,009)	(7,874)
Principal payments under capital and financing lease obligations	(3,826)	(3,388)
Principal payments under Term Loan	(3,875)	(3,875)
Principal amount of coupon payment under Senior Subordinated Notes due 2020	(3,357)	(3,052)

Edgar Filing: AMC ENTERTAINMENT HOLDINGS, INC. - Form 10-Q

Net cash used in financing activities	(87,482)	(302,687)		
Effect of exchange rate changes on cash and equivalents	(39)	9		
Net decrease in cash and equivalents	(38,866)	(311,149)		
Cash and equivalents at beginning of period	218,206	546,454		
	rial Narrow"			
Cash and equivalents at end of period	SIZE="1"> 27.00	3/24/14	380	(21,470)

JANUARY 31, 2014

3

Schedule of Investments (continued)

BlackRock Real Asset Equity Trust (BCF)

Exchange-traded options written as of January 31, 2014 were as follows: (concluded)

		Strike				Market
Description	Put/ Call		Price	Expiration Date	Contracts	Value
Lundin Mining Corp.	Call	CAD	5.00	3/24/14	425	\$ (8,586)
MeadWestvaco Corp.	Call	USD	37.50	3/24/14	199	(9,950)
Phillips 66	Call	USD	77.50	3/24/14	172	(17,630)
Potash Corp. of Saskatchewan, Inc.	Call	USD	34.00	3/24/14	310	(8,990)
Southwestern Energy Co.	Call	USD	41.00	3/24/14	30	(4,995)
Southwestern Energy Co.	Call	USD	42.00	3/24/14	260	(32,630)
Teck Resources Ltd., Class B	Call	CAD	29.00	3/24/14	244	(9,420)
Total						\$ (1,308,019)

Over-the-counter options written as of January 31, 2014 were as follows:

Description	Counterparty	Put/ Call	Strike		Expiration Date	Contracts	Market Value
				Price			
Chevron Corp.	Morgan Stanley & Co. International PLC	Call	USD	123.71	2/03/14	14,000	\$
ConocoPhillips	Morgan Stanley & Co. International PLC	Call	USD	73.02	2/03/14	53,600	(1)
Fibria Celulose SA ADR	Morgan Stanley & Co. International PLC	Call	USD	12.06	2/03/14	39,300	(2)
International Paper Co.	Morgan Stanley & Co. International PLC	Call	USD	48.54	2/03/14	59,500	(9,492)
Kosmos Energy Ltd.	Bank of America N.A.	Call	USD	11.17	2/03/14	12,000	(11)
Exxon Mobil Corp.	Credit Suisse International	Call	USD	100.39	2/04/14	16,400	
Noble Energy, Inc.	Citibank N.A.	Call	USD	70.49	2/04/14	4,000	
Royal Dutch Shell PLC ADR	Citibank N.A.	Call	USD	68.05	2/04/14	47,400	(55,227)
African Rainbow Minerals Ltd.	Deutsche Bank AG	Call	ZAR	185.82	2/05/14	36,000	(109,494)
Caracal Energy, Inc.	Morgan Stanley & Co. International PLC	Call	GBP	4.48	2/05/14	22,800	(175)
Glencore Xstrata PLC	Morgan Stanley & Co. International PLC	Call	GBP	3.12	2/05/14	615,000	(106,308)
Rio Tinto PLC	Morgan Stanley & Co. International PLC	Call	GBP	33.71	2/05/14	61,100	(7,562)
Carpenter Technology Corp.	Morgan Stanley & Co. International PLC	Call	USD	61.36	2/06/14	12,700	(539)
EI du Pont de Nemours & Co.	Citibank N.A.	Call	USD	61.55	2/06/14	30,400	(13,250)
BG Group PLC	Goldman Sachs International	Call	GBP	12.47	2/07/14	57,500	(1)
BP PLC	Goldman Sachs International	Call	GBP	4.70	2/07/14	245,000	(40,145)
Imperial Oil Ltd.	Goldman Sachs International	Call	CAD	47.86	2/07/14	18,000	(65)
Kazakhmys PLC	Goldman Sachs International	Call	GBP	1.97	2/07/14	94,000	(637)
Mining and Metallurgical Co. Norilsk							
Nickel OJSC	Goldman Sachs International	Call	USD	15.71	2/10/14	23,800	(1,054)
Suncor Energy, Inc.	Bank of America N.A.	Call	USD	35.26	2/10/14	20,900	(425)
Anglo American PLC	Morgan Stanley & Co. International PLC	Call	GBP	13.42	2/11/14	27,200	(45,301)
Cairn Energy PLC	Morgan Stanley & Co. International PLC	Call	GBP	2.70	2/11/14	27,000	
Glencore Xstrata PLC	Credit Suisse International	Call	GBP	3.11	2/11/14	615,000	(129,382)
Caracal Energy, Inc.	Goldman Sachs International	Call	GBP	4.66	2/12/14	30,000	(65)
Iluka Resources Ltd.	Deutsche Bank AG	Call	AUD	8.75	2/12/14	143,200	(23,577)
Minsur SA	Citibank N.A.	Call	PEN	1.46	2/13/14	320,000	(17,363)

Edgar Filing: AMC ENTERTAINMENT HOLDINGS, INC. - Form 10-Q

Olin Corp.	Citibank N.A.	Call	USD	29.78	2/13/14	29,600	(2)
Southwestern Energy Co.	Deutsche Bank AG	Call	USD	40.04	2/13/14	26,000	(30,835)
El du Pont de Nemours & Co.	Morgan Stanley & Co. International PLC	Call	USD	61.30	2/14/14	61,000	(33,942)
Cairn Energy PLC	Morgan Stanley & Co. International PLC	Call	GBP	2.63	2/18/14	27,000	
Suncor Energy, Inc.	Deutsche Bank AG	Call	USD	34.66	2/19/14	20,800	(2,914)
BHP Billiton PLC	UBS AG	Call	GBP	18.65	2/20/14	113,500	(31,460)
Goldcorp, Inc.	Morgan Stanley & Co. International PLC	Call	CAD	25.47	2/20/14	28,000	(61,428)
MeadWestvaco Corp.	Citibank N.A.	Call	USD	36.87	2/20/14	46,000	(5,970)
Rio Tinto PLC	Credit Suisse International	Call	GBP	33.36	2/20/14	83,800	(70,569)
Southwestern Energy Co.	Deutsche Bank AG	Call	USD	39.93	2/20/14	10,000	(14,400)
Vedanta Resources PLC	Morgan Stanley & Co. International PLC	Call	GBP	8.22	2/20/14	78,300	(20,322)
MeadWestvaco Corp.	Citibank N.A.	Call	USD	37.06	2/24/14	46,000	(7,076)
Devon Energy Corp.	Morgan Stanley & Co. International PLC	Call	USD	61.10	2/26/14	14,700	(13,703)

Schedule of Investments (continued)

BlackRock Real Asset Equity Trust (BCF)

Over-the-counter options written as of January 31, 2014 were as follows: (concluded)

			Strike				Market
Description	Counterparty	Put/ Call		Price	Expiration Date	Contracts	Value
Oz Minerals Ltd.	Goldman Sachs International	Call	AUD	2.97	2/26/14	69,500	\$ (32,738)
Royal Dutch Shell PLC ADR	Citibank N.A.	Call	USD	68.05	2/26/14	47,400	(84,088)
African Rainbow Minerals Ltd.	Deutsche Bank AG	Call	ZAR	189.81	2/27/14	42,000	(113,840)
Cairn Energy PLC	UBS AG	Call	GBP	2.75	2/27/14	27,000	
Caracal Energy, Inc.	Goldman Sachs International	Call	GBP	4.48	2/27/14	20,000	(1,396)
Fresnillo PLC	Deutsche Bank AG	Call	GBP	7.69	2/27/14	41,200	(22,039)
Vedanta Resources PLC	Morgan Stanley & Co. International PLC	Call	GBP	8.90	2/27/14	73,000	(3,607)
Deere & Co.	Morgan Stanley & Co. International PLC	Call	USD	91.12	2/28/14	12,500	(5,302)
Fibria Celulose SA ADR	Citibank N.A.	Call	USD	11.61	2/28/14	44,000	(6,890)
Platinum Group Metals Ltd.	Citibank N.A.	Call	CAD	1.24	2/28/14	310,900	(37,548)
International Paper Co.	Morgan Stanley & Co. International PLC	Call	USD	49.15	3/04/14	60,100	(45,614)
Kosmos Energy Ltd.	Morgan Stanley & Co. International PLC	Call	USD	10.52	3/04/14	20,700	(8,144)
Royal Dutch Shell PLC ADR	Citibank N.A.	Call	USD	71.78	3/04/14	6,300	(1,905)
Newcrest Mining Ltd.	UBS AG	Call	AUD	9.47	3/05/14	109,900	(54,535)
Oil Search Ltd.	Goldman Sachs International	Call	AUD	8.25	3/05/14	90,200	(11,191)
Industrias Penoles SAB de CV	Citibank N.A.	Call	MXN	339.58	3/06/14	36,200	(8,917)
Minsur SA	Deutsche Bank AG	Call	PEN	1.49	3/06/14	319,500	(16,052)
Anglo American Platinum Ltd.	Deutsche Bank AG	Call	ZAR	469.45	3/07/14	12,400	(9,836)
BG Group PLC	UBS AG	Call	GBP	13.32	3/07/14	64,000	(18)
BHP Billiton PLC	Credit Suisse International	Call	GBP	18.52	3/07/14	113,500	(37,919)
Cairn Energy PLC	Goldman Sachs International	Call	GBP	2.78	3/07/14	31,700	(3)
Caracal Energy, Inc.	Credit Suisse International	Call	GBP	4.56	3/07/14	14,300	(780)
Fresnillo PLC	Credit Suisse International	Call	GBP	7.97	3/07/14	125,000	(47,714)
Impala Platinum Holdings Ltd.	Deutsche Bank AG	Call	ZAR	121.84	3/07/14	130,000	(42,349)
Mondi PLC	Morgan Stanley & Co. International PLC	Call	GBP	9.93	3/07/14	83,000	(12,678)
Halliburton Co.	Morgan Stanley & Co. International PLC	Call	USD	48.78	3/10/14	25,000	(39,380)
Agrium, Inc.	Credit Suisse International	Call	USD	88.44	3/11/14	23,700	(47,400)
Eldorado Gold Corp.	Morgan Stanley & Co. International PLC	Call	CAD	7.23	3/11/14	143,400	(44,794)
Noble Energy, Inc.	Citibank N.A.	Call	USD	66.92	3/11/14	19,500	(13,664)
Teck Resources Ltd., Class B	Deutsche Bank AG	Call	CAD	27.30	3/11/14	68,300	(57,411)
Enbridge, Inc.	Deutsche Bank AG	Call	CAD	47.14	3/13/14	4,800	(2,674)
Exxon Mobil Corp.	Credit Suisse International	Call	USD	99.49	3/14/14	36,000	(5,215)
Olin Corp.	Credit Suisse International	Call	USD	26.16	3/14/14	27,100	(16,802)
Cairn Energy PLC	Morgan Stanley & Co. International PLC	Call	GBP	2.68	3/18/14	31,700	(25)
Caracal Energy, Inc.	Credit Suisse International	Call	GBP	4.56	3/18/14	14,300	(1,056)
BP PLC	Morgan Stanley & Co. International PLC	Call	GBP	4.83	3/25/14	245,000	(37,650)
Alumina Ltd.	Morgan Stanley & Co. International PLC	Call	AUD	1.30	3/26/14	569,600	(26,838)
Jiangxi Copper Co. Ltd., Class H	UBS AG	Call	HKD	14.06	3/26/14	469,000	(36,979)
Oil Search Ltd.	Morgan Stanley & Co. International PLC	Call	AUD	8.35	3/26/14	114,600	(14,257)
Statoil ASA	UBS AG	Call	NOK	156.05	3/26/14	80,700	(16,016)
Western Areas Ltd.	UBS AG	Call	AUD	2.64	3/26/14	307,800	(49,754)
Zijin Mining Group Co Ltd., Class H	Deutsche Bank AG	Call	HKD	1.73	3/26/14	1,830,000	(14,267)
Industrias Penoles SAB de CV	Deutsche Bank AG	Call	MXN	342.18	3/27/14	25,000	(10,096)
Minsur SA	Citibank N.A.	Call	PEN	1.78	3/27/14	320,000	(3,331)
Kosmos Energy Ltd.	Morgan Stanley & Co. International PLC	Call	USD	10.81	4/01/14	21,500	(8,020)

Edgar Filing: AMC ENTERTAINMENT HOLDINGS, INC. - Form 10-Q

Praxair, Inc.	Credit Suisse International	Call	USD	127.21	4/01/14	56,000	(98,504)
Minsur SA	Citibank N.A.	Call	PEN	1.78	4/08/14	320,000	(4,150)
Total							\$ (2,006,083)

JANUARY 31, 2013

5

Schedule of Investments (continued)

BlackRock Real Asset Equity Trust (BCF)

Fair Value Measurements Various inputs are used in determining the fair value of investments and derivative financial instruments. These inputs to valuation techniques are categorized into a disclosure hierarchy consisting of three broad levels for financial reporting purposes as follows:

Level 1 unadjusted price quotations in active markets/exchanges for identical assets or liabilities that the Trust has the ability to access

Level 2 other observable inputs (including, but not limited to, quoted prices for similar assets or liabilities in markets that are active, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the assets or liabilities (such as interest rates, yield curves, volatilities, prepayment speeds, loss severities, credit risks and default rates) or other market-corroborated inputs)

Level 3 unobservable inputs based on the best information available in the circumstances, to the extent observable inputs are not available (including the Trust's own assumptions used in determining the fair value of investments and derivative financial instruments)

The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). Accordingly, the degree of judgment exercised in determining fair value is greatest for instruments categorized in Level 3. The inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the fair value hierarchy classification is determined based on the lowest level input that is significant to the fair value measurement in its entirety.

Changes in valuation techniques may result in transfers into or out of an assigned level within the disclosure hierarchy. In accordance with the Trust's policy, transfers between different levels of the fair value disclosure hierarchy are deemed to have occurred as of the beginning of the reporting period. The categorization of a value determined for investments and derivative financial instruments is based on the pricing transparency of the investment and derivative financial instrument and is not necessarily an indication of the risks associated with investing in those securities. For information about the Trust's policy regarding valuation of investments and derivative financial instruments, please refer to the Trust's most recent financial statements as contained in its annual report.

The following tables summarize the Trust's investments and derivative financial instruments categorized in the disclosure hierarchy as of January 31, 2014:

	Level 1	Level 2	Level 3	Total
Assets:				
Investments:				
Long-Term Investments:				
Common Stocks:				
Chemicals	\$ 85,372,136			\$ 85,372,136
Containers & Packaging	15,142,186			15,142,186
Energy Equipment & Services	18,279,289			18,279,289
Machinery	25,548,741			25,548,741
Metals & Mining	84,180,740	\$ 103,390,908		187,571,648
Oil, Gas & Consumable Fuels	141,543,779	33,691,355		175,235,134
Paper & Forest Products	18,981,883	3,594,148		22,576,031
Real Estate Investment Trusts (REITs)	13,123,296			13,123,296
Short-Term Securities	16,796,788			16,796,788
Total	\$ 418,968,838	\$ 140,676,411		\$ 559,645,249

	Level 1	Level 2	Level 3	Total
Derivative Financial Instruments ¹				
Assets:				
Foreign currency exchange contracts	\$ 523			\$ 523
Liabilities:				
Equity contracts	(1,293,938)	\$ (2,020,164)		(3,314,102)
Foreign currency exchange contracts	(5,985)			(5,985)
Total	\$ (1,299,400)	\$ (2,020,164)		\$ (3,319,564)

Edgar Filing: AMC ENTERTAINMENT HOLDINGS, INC. - Form 10-Q

¹ Derivative financial instruments are foreign currency exchange contracts and options written. Foreign currency exchange contracts are valued at the unrealized appreciation/depreciation on the instrument and options written are shown at value.

Schedule of Investments (concluded)

BlackRock Real Asset Equity Trust (BCF)

The carrying amount for certain of the Trust's assets approximates fair value for financial reporting purposes. As of January 31, 2014, such assets are categorized within the disclosure hierarchy as follows:

	Level 1	Level 2	Level 3	Total
Assets:				
Cash	\$ 50,826			\$ 50,826
Foreign currency at value	1,112,819			1,112,819
Total	\$ 1,163,645			\$ 1,163,645

There were no transfers between Levels during the period ended January 31, 2014.

JANUARY 31, 2014

7

Item 2 Controls and Procedures

2(a) The registrant's principal executive and principal financial officers, or persons performing similar functions, have concluded that the registrant's disclosure controls and procedures (as defined in Rule 30a-3(c) under the Investment Company Act of 1940, as amended (the "1940 Act")) are effective as of a date within 90 days of the filing of this report based on the evaluation of these controls and procedures required by Rule 30a-3(b) under the 1940 Act and Rule 13a-15(b) under the Securities Exchange Act of 1934, as amended.

2(b) There were no changes in the registrant's internal control over financial reporting (as defined in Rule 30a-3(d) under the 1940 Act) that occurred during the registrant's last fiscal quarter that have materially affected, or are reasonably likely to materially affect, the registrant's internal control over financial reporting.

Item 3 Exhibits

Certifications Attached hereto

Edgar Filing: AMC ENTERTAINMENT HOLDINGS, INC. - Form 10-Q

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

BlackRock Real Asset Equity Trust

By: /s/ John M. Perlowski
John M. Perlowski
Chief Executive Officer (principal executive officer) of
BlackRock Real Asset Equity Trust

Date: March 25, 2014

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

By: /s/ John M. Perlowski
John M. Perlowski
Chief Executive Officer (principal executive officer) of
BlackRock Real Asset Equity Trust

Date: March 25, 2014

By: /s/ Neal J. Andrews
Neal J. Andrews
Chief Financial Officer (principal financial officer) of
BlackRock Real Asset Equity Trust

Date: March 25, 2014