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ANNUAL
REPORT

THREE GENERATIONS

TWO BUSINESSES



ONE COMMITMENT



THE MARCUS CORPORATION



Recent renovations at the Grand Geneva Resort & Spa in Lake Geneva, Wisconsin, include a dramatic new outdoor pool

THREE GENERATIONS TWO BUSINESSES ONE COMMITMENT

The Marcus Corporation's success is built on the philosophies of our founder Ben Marcus, the diversity of our businesses and our commitment to create value for our shareholders, customers and associates.



The new Take Five Lounge at the North Shore Cinema in Mequon, Wisconsin, is a great place for cocktails and conversation

The headlines on this annual report describe how we were able to come through a very challenging year with a 3.3% increase in revenues and a decrease in operating income of only 9.0% compared to the prior year. The record results of Marcus Theatres® significantly compensated for declines in the lodging industry unlike many of us have ever seen before.

THREE GENERATIONS

The philosophies developed by Ben Marcus, who started the company nearly 75 years ago, are once again enabling The Marcus Corporation to weather a major economic storm.

Those of you who have been with us for some time know that we are financially conservative, and that for us, patience is a virtue. The tenets of maintaining a strong balance sheet, owning the majority of our real estate and managing for the long term have served us well over time, and were confirmed again this past year.

Our balance sheet is not highly leveraged, as indicated by our debt to total capitalization ratio of 44% and over \$102 million of available credit lines at the end of fiscal 2009. This strong financial position enabled us to work through considerable challenges during the year. It also enabled us to maintain quarterly shareholder dividends at the current rate and to implement several important initiatives that improve our position in key markets and allow us to manage for the long term.

We invested nearly \$36 million in capital expenditures in fiscal 2009. Theatre projects included the transformation of our North Shore Cinema in the Milwaukee area into a neighborhood entertainment destination and the further extension of new food and beverage concepts and digital 3D across our circuit. These steps are part of our overall strategy to enhance the customer experience and expand revenue sources beyond traditional movies.

On the hotel side, we are about halfway through our plan to invest approximately \$30 million in major renovations at two of our leading hotel properties. Significant enhancements at the Grand Geneva® Resort & Spa have been completed, and renovations at the Hilton Milwaukee City Center are currently underway. The strategy here is to gain market share by keeping our facilities in top-notch condition and adding innovative new amenities that attract even more guests to our properties.

Committing to these investments in an uncertain economic environment was not an easy decision — but given our long-term viewpoint, it was the right one. Maintaining and enhancing our assets at a time when many others can't gives us a tremendous competitive advantage. When the economy picks up, and there's no question that it will, we will be ready with the attractive features, amenities, high quality and exceptional service our customers expect from the premier hotel and theatre operator in their markets.

TWO BUSINESSES

The diversity of our two businesses worked in our favor in fiscal 2009, as the record performance of Marcus Theatres helped to offset the lower results of Marcus® Hotels and Resorts.

Marcus Theatres achieved an 18.9% increase in revenues and a 23.6% increase in operating income for the year. This improvement was driven by good movies, a more consistent flow of film product throughout the year and an additional 83 screens in Nebraska acquired in April 2008. Going to

the movies remains an affordable form of entertainment that offers moviegoers an escape from reality — two benefits that are especially important in these recessionary times.

The performance of Marcus Hotels and Resorts reflected the continuing decline in all segments of the lodging industry. In addition, government officials speaking out against corporate meetings and incentive trips stigmatized corporate travel, driving revenues down even further. The travel and hospitality industry is a significant job creator in our country, providing employment for more than 7.7 million Americans. We went to Washington with other leaders in the hotel industry to make the point that the vast majority of business travel has purposes beyond incentives and should be encouraged, not discouraged.

As a result of these economic and governmental issues, revenue per available room (RevPAR) declined 10.1% for fiscal 2009 compared to the prior year, due to significantly reduced occupancy levels and a lower average rate. Although the majority of our properties are not in major destination markets that have experienced the most dramatic downturn, we still faced stiff headwinds and adjusted our staffing and expenditures accordingly. While it appears that occupancy rates have stabilized at the current lower levels, most in our industry do not expect to see significant improvement until later in 2010.

Total revenues for The Marcus Corporation reached \$383.5 million for fiscal 2009. Operating income was \$43.4 million, compared to \$47.7 million in the prior year. As prudent managers, we scrutinized our expenses and reduced operating costs wherever we could this past year, while being careful not to jeopardize in any way our high level of customer service or our ability to grow in the future. Net earnings for fiscal 2009 were \$17.2 million or \$0.58 per diluted common share, compared to earnings of \$20.5 million or \$0.68 per diluted common share in the prior year. The lower fiscal 2009 net earnings included several one-time non-operating losses totaling approximately \$0.06 per diluted common share.

Fiscal 2009 was not the first time our diversity has had a positive impact on total corporate results. This year, it was our theatre division that helped to compensate for the downturn in lodging. Other years, the situation has been reversed. Our diversity provides overall stability and enables us to weather the ups and downs

of the economy. Of course, the ideal scenario is when both divisions trend upward at the same time — then we can really make some headway!

Improvement during our fiscal 2010 will depend on numerous factors, including an upturn in the economy in general and the lodging industry in particular. We also need Hollywood to continue releasing a broad slate of good pictures at a steady pace throughout the year.

ONE COMMITMENT

A successful business spanning three generations. Diversity through two divisions. What brings this all together into one growing company is our people.

Challenging times test even the best leaders, and the economic environment over the past year has been unprecedented. Our ability to work through the changing landscape and produce positive outcomes was due to the experience and skill of our Board of Directors and management team.

We are very fortunate to have a seasoned Board that provides valuable guidance and has been instrumental in shepherding the management succession process. With an average of 22 years with The Marcus Corporation, our executive management team knows how to navigate through the tough times and maximize opportunities at all times. In January 2009, Greg Marcus was elected chief executive officer, continuing the evolution of the company into the third generation.

Our diversity provides overall stability and enables us to weather the ups and downs of the economy.

Next year, we will celebrate the 75th anniversary of The Marcus Corporation. While thousands of companies are launched every year, only a very small number reach this major milestone. The reason we are in this select group is simple: we remain true to our core philosophies.

Because we have a strong financial foundation, we know we will make it through the current recession. Better still, we have the ability to use our financial position to our advantage. We can invest in our existing assets to increase market share and we can pursue growth opportunities that may arise in this environment — at the right time and the right price, as we are careful stewards of our shareholders' capital. We can also invest in recruiting, training and retaining our associates to help them reach their potential, so that in turn, we can reach ours.

We are confident that we will come out of the downturn a strong company poised to continue our commitment to create value for our shareholders, customers and associates.



Stephen H. Marcus
Chairman



Gregory S. Marcus
President and Chief Executive Officer

August 20, 2009



Steve (left) and
Greg Marcus

ACHIEVING BLOCKBUSTER RESULTS

Three, two, one....action! In fiscal 2009, the adage, the “magic of the movies” proved to be a reality. Marcus Theatres® had a blockbuster performance, achieving record results for the year.

Our theatres performed extremely well during this recessionary period, as Hollywood continued to produce hit films for a broad range of audiences. We were in the right place at the right time for budget-conscious consumers seeking inexpensive out-of-home entertainment as an affordable night out or fun family activity.

CREATING ENTERTAINMENT DESTINATIONS

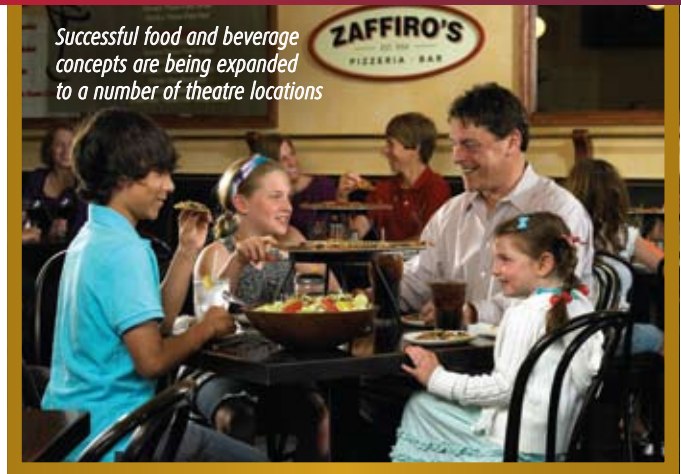
Our growth strategy is multi-faceted. We are adding new screens, expanding our successful food and beverage concepts, attracting audiences beyond traditional moviegoers and developing new revenue sources. The overall goal is to provide our guests with a one-stop entertainment experience.

Over the past two years, we acquired more than 200 screens, increasing our screen count by 35%. We continue to consider potential acquisition opportunities, while

The numbers for Marcus Theatres tell the story of successful growth and strong performance.

simultaneously pursuing organic growth. Various projects are under development or in the planning stages. In Omaha, Nebraska, we will manage a five-screen, four-level upscale theatre and entertainment

complex that is part of the exciting mixed-use Midtown Crossing development owned by Mutual of Omaha. This multi-level theatre, which is scheduled to open in November 2009, will feature CineDineSM, our new in-theatre dining concept. Plans for a new entertainment destination in the Madison, Wisconsin, area currently include 16 movie screens, in-theatre dining, a restaurant and bar.



Successful food and beverage concepts are being expanded to a number of theatre locations

INVESTING IN OUR THEATRES

In May 2009, we completed a major renovation at our North Shore Cinema in Mequon, Wisconsin, that transformed this 11-screen theatre into a complete entertainment destination. New features include our thirteenth 70-foot-wide UltraScreen[®] with premium reserved seating, updated auditoriums, a Hot Zone serving burgers and sandwiches, and our second Take Five Lounge offering a variety of wine, beer and cocktails. A highlight of the renovation is the stand-alone full-service Zaffiro'sSM Pizzeria restaurant and bar, serving Milwaukee's most delicious thincredibleSM pizza, along with a variety of other popular Italian dining favorites.

We continue to expand our food and beverage offerings at other selected theatres in our circuit. During the year, we opened our first food-court concept, the Hollywood Café, at our Oakdale Cinema in the Minneapolis market. Here, guests may order a variety of tasty menu items, including pizza, burgers and ice cream, and enjoy them in a café seating area or while watching a movie.

OFFERING THE LATEST TECHNOLOGY

Digital 3D programming continues to build momentum. Audiences are amazed by the dramatic, life-like digital 3D presentation that puts them right in the center of the dynamic sights and sounds of a movie or other event. In response to the growing interest in this medium, we recently installed an additional 13 new digital 3D systems throughout our Midwest circuit. More than 50% of our first-run theatres now have digital 3D capability, and over 90% of the communities we serve are within 30 minutes of a Marcus Theatres digital 3D installation. With more 3D product in the pipeline, we are reviewing plans to further extend digital 3D to even more locations in our circuit over the next year.

The customer response to alternate programming presented on high-definition digital projectors has also been very positive and has further expanded our customer base. Alternate programming enables guests to enjoy concerts such as *The Metropolitan Opera: Live in HD* series, sporting events and other entertainment in the comfort of their local movie theatre. Additional revenue sources include business meetings, events, lobby and pre-show advertising and film-booking services.

DELIVERING A STRONG PERFORMANCE

Whether it's new screens, expanded dining concepts or digital 3D installations, the numbers for Marcus Theatres tell the story of successful growth and strong performance.



Marcus Theatres continues to invest in digital 3D technology and new UltraScreens with premium reserved seating



The Grand Geneva's remodeled WELL Spa & Salon includes redesigned whirlpools, wet and dry saunas and relaxing lounges for guests

FACING CHALLENGING HEADWINDS

The numbers confirm that the past year was one of the most challenging ever for the lodging industry, as individuals and businesses drastically cut back on travel and meetings. Although Marcus® Hotels and Resorts experienced the same difficulties as our peers in the industry, we performed slightly better. Revenue per available room (RevPAR) declined 10.1% for fiscal 2009, compared to a decline of 12.3% for the upper-upscale segment of the industry over the same period.

We attribute this differential to the location of our properties. Many of our hotels are in secondary markets, rather than major destinations like Florida and Hawaii that have been more severely affected by the recession.

FOCUSING ON OUR GUESTS

Although we can't control the economy, we are focusing on those things we can control. We have adjusted our staffing to reflect current occupancy levels, while being very careful to maintain the high level of service our guests expect.

Connecting with our guests and meeting their expectations and needs is more important today than ever. From our innovative restaurant concepts and lounges to our relaxing spas and challenging golf courses, we strive to provide a positive experience for each and every guest.

In times like these, our financial strength is a significant competitive advantage. Our strong balance sheet enables us to invest in maintaining and enhancing our properties, which is critical in this capital-intensive business. While many others are cutting back, we are moving forward with renovation projects totaling approximately \$30 million that will give us an edge in our markets when the economy improves.

ENHANCING EXISTING PROPERTIES

The first phase of a major renovation at the Grand Geneva® Resort & Spa in Lake Geneva, Wisconsin, was recently completed. The project included a new outdoor pool featuring eight arching fountains, Embers Terrace — a California-style fire-pit and dining area, a complete renovation of all of the guest rooms and upgrades to our signature WELL Spa® & Salon. One of the most unique additions is Séura television mirrors featured in all bathrooms. Grand Geneva is one of the only properties in the Midwest to offer this state-of-the-art technology that turns a mirror into a television with the flip of a switch. Work has also begun on an extensive project at the Hilton Milwaukee City Center that includes updating all of the guest rooms, as well as the corridors and main entrance. Both projects are expected to be completed in fiscal 2010.

Investments in new sales and marketing initiatives are driving revenues by increasing our visibility, expanding our customer base and building stronger partnerships with our communities. New rewards programs, such as frequent dining memberships, are further strengthening our value proposition. We are using social media networks to promote special offers and events and to reach targeted demographic segments. We are also partnering with businesses in our

The core philosophy of continually investing in our properties, in both good times and bad, is already achieving results.

communities to provide value to our customers through promotional packages and other marketing incentives.

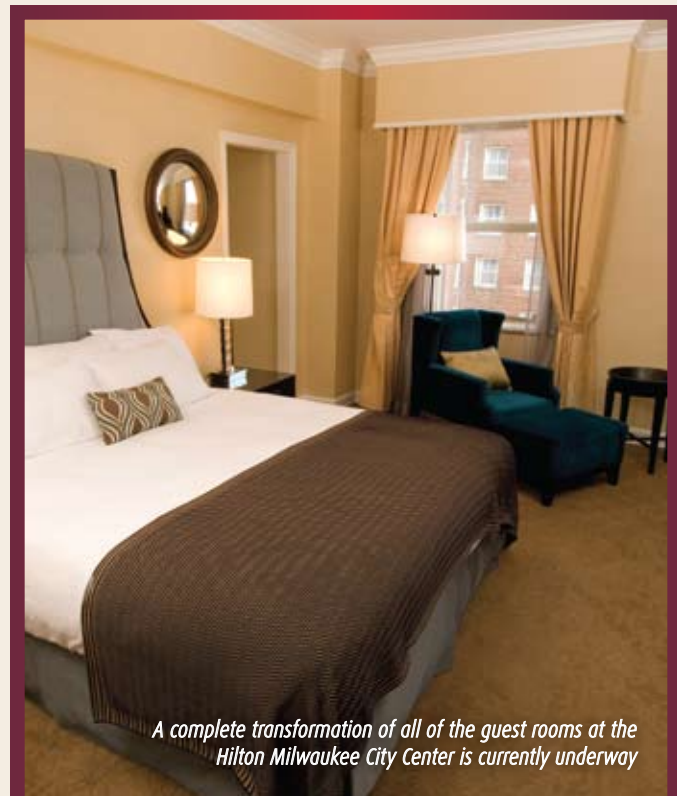
The core philosophy of continually investing in our properties, in both

good times and bad, is already achieving results. The market penetration for many of our properties was higher at the end of fiscal 2009 than it was the year before, indicating we are increasing market share during this difficult time.

POSITIONING FOR THE FUTURE

A bright spot in today's challenging lodging environment is the potential for future expansion. We are continually evaluating possible growth opportunities and believe that with our strong financial position, there may be recession-driven situations that could be advantageous for us.

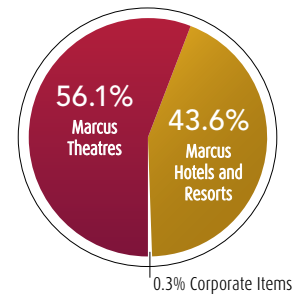
Whether investing in our existing assets or taking advantage of growth opportunities that may arise in this environment, we are planning for the future. Travel and tourism will be back, and when the numbers return, we'll be standing on the other side, stronger than ever and positioned to grow.



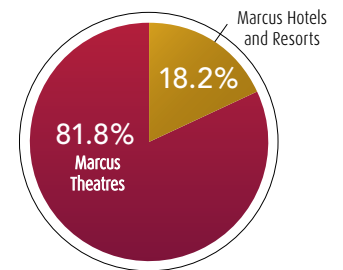
A complete transformation of all of the guest rooms at the Hilton Milwaukee City Center is currently underway

THE MARCUS CORPORATION is a leader in the lodging and entertainment industries. Marcus Theatres® currently owns or manages 663 screens at 53 locations in Wisconsin, Illinois, Iowa, Minnesota, Nebraska, North Dakota and Ohio. Marcus® Hotels and Resorts currently owns or manages a distinctive portfolio of 20 hotels, resorts and other properties in ten states.

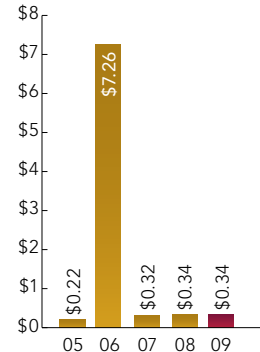
Fiscal 2009 Revenues



Fiscal 2009 Operating Income⁽²⁾

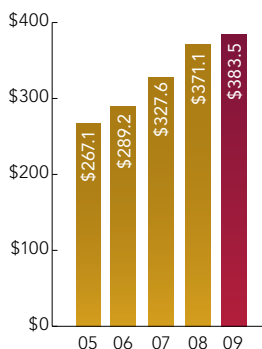


Dividends Per Share⁽³⁾

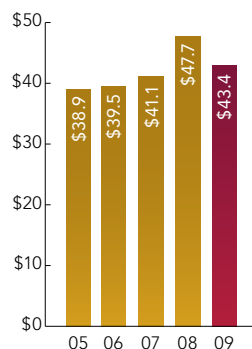


	Fiscal Year May 28, 2009	Fiscal Year May 29, 2008	Percent Change
OPERATIONS (in millions)			
Revenues	\$ 383.5	\$ 371.1	3.3 %
Operating Income	43.4	47.7	(9.0)%
Net Earnings	17.2	20.5	(16.0)%
PER COMMON SHARE (diluted)			
Net Earnings	0.58	0.68	(14.7)%
Cash Dividends	0.34	0.34	—
FINANCIAL POSITION (dollars in millions)			
Shareholders' Equity	\$ 327.4	\$ 317.5	3.1 %
Total Assets	\$ 711.5	\$ 721.6	(1.4)%
Debt/Capitalization Ratio	.44	.47	

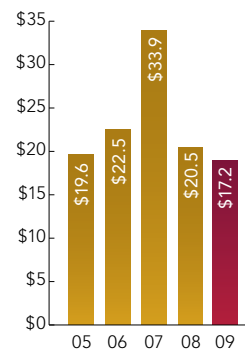
Revenues⁽¹⁾
(in millions)



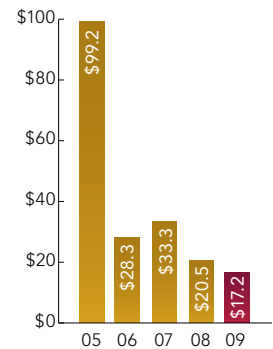
Operating Income⁽¹⁾
(in millions)



Earnings from Continuing Operations⁽¹⁾
(in millions)



Net Earnings
(in millions)



(1) Fiscal 2005-2007 exclude discontinued operations (limited-service lodging, the Miramonte Resort and Marcus Vacation Club).

(2) Excludes corporate items.

(3) Includes \$7.00 per share special dividend paid during fiscal 2006.

BOARD OF DIRECTORS

Stephen H. Marcus (d)*

Chairman, The Marcus Corporation

Daniel F. McKeithan, Jr. (a)* (b)

President, Tamarack Petroleum Company, Inc.

Diane Marcus Gershowitz (d)

Real Estate Management and Investments

Timothy E. Hoeksema (b)* (c)

Retired Chairman, President and Chief Executive Officer, Midwest Air Group, Inc.

Allan H. (Bud) Selig (c) (d)

Commissioner of Major League Baseball

Bruce J. Olson

Senior Vice President, The Marcus Corporation and President, Marcus Theatres Corporation

Philip L. Milstein (a) (b) (d)

Principal, Ogden CAP Properties, LLC

Bronson J. Haase (b) (c)*

Retired President of Pabst Farms Equity Ventures, LLC, Retired President and Chief Executive Officer of Wisconsin Gas Company, and Vice President of WICOR, Inc., and former President and Chief Executive Officer of Ameritech Wisconsin

James D. Ericson (a) (d)

Retired Chairman, President and Chief Executive Officer, Northwestern Mutual Life Insurance Company

Gregory S. Marcus

President and Chief Executive Officer, The Marcus Corporation

Committees of the Board:

- (a) Audit
- (b) Compensation
- (c) Corporate Governance and Nominating
- (d) Finance

*Denotes chairman



Front row: Greg Marcus, Diane Marcus Gershowitz and Steve Marcus.
Back row: Bruce Olson, Bronson Haase, Tim Hoeksema, Jack McKeithan, Bud Selig, Jim Ericson and Phil Milstein.

OFFICERS AND EXECUTIVE MANAGEMENT

Stephen H. Marcus

Chairman

Gregory S. Marcus

President and Chief Executive Officer

Bruce J. Olson

Senior Vice President, The Marcus Corporation and President, Marcus Theatres Corporation

Thomas F. Kissinger

Vice President, General Counsel and Secretary

Douglas A. Neis

Chief Financial Officer and Treasurer

William J. Otto

President, Marcus Hotels and Resorts

Jane Durment

Chief Information Officer

Karen Y. Spindler

Director of Corporate Human Resources



Front row: Karen Spindler, Steve Marcus, Jane Durment and Greg Marcus.
Back row: Doug Neis, Tom Kissinger, Bruce Olson and Bill Otto.

ANNUAL MEETING

Shareholders are invited to attend The Marcus Corporation's 2009 Annual Meeting at 10:00 a.m. CDT on Wednesday, October 14, 2009 at The Pfister Hotel, 424 E. Wisconsin Avenue, Milwaukee, Wisconsin.

DIVIDEND REINVESTMENT PLAN

The Marcus Corporation has a dividend reinvestment plan through which shareholders of record may reinvest their cash dividends and make supplemental cash investments in additional shares. There are no commissions or service charges to purchase shares. For additional information, write or call our transfer agent.

NYSE LISTING AND SYMBOL

The Marcus Corporation common stock is traded on the New York Stock Exchange under the symbol MCS. The Marcus Corporation is included in the Standard & Poor's SmallCap 600 Index, the Russell 2000 Index and other indices.

FORM 10-K REPORT

A copy of the company's fiscal 2009 Form 10-K annual report (without exhibits) as filed with the Securities and Exchange Commission is included in this report.

TRANSFER AGENT

Wells Fargo Bank, N.A.

Shareowner Services

P.O. Box 64854

St. Paul, MN 55164

(800) 468-9716

www.wellsfargo.com/shareownerservices

LEGAL COUNSEL

Foley & Lardner LLP, Milwaukee, Wisconsin

INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Deloitte & Touche LLP, Milwaukee, Wisconsin

CORPORATE HEADQUARTERS

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Milwaukee, WI 53202-4125

(414) 905-1000

www.marcuscorp.com

INVESTOR INFORMATION

Investors are encouraged to visit www.marcuscorp.com for a wide range of company information including stock quotes and charts, news releases, Securities and Exchange Commission filings, Code of Conduct, Corporate Governance Policy Guidelines, Board of Directors committee charters, dividend reinvestment information, event calendar, webcasts of conference calls, investor presentations and links to the company's divisions and properties. Interested individuals can also register to be automatically notified by e-mail when new information is added to the site.

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OUR PHILOSOPHY

WE TAKE GREAT PRIDE

in our dedicated management teams and associates and will continue to develop their potential and skills at all levels within our organization.

WE BELIEVE

in rewarding outstanding performance, and in promoting from within to develop a climate of high expectation and achievement, as well as a solid base of highly-qualified associates.

WE WILL REMAIN

a quality-minded corporation, dedicated to upholding our corporate slogan, "People Pleasing People."

WE WILL MAINTAIN

our position of leadership in the hospitality and entertainment industries through our commitment to quality, service and value.

WE WILL CONTINUE

our personal and corporate involvement in activities benefiting the community, state and nation.

WE WILL SUPPORT

the values of the communities we are privileged to serve by honoring their traditions and preserving their environments.

WE PLEDGE

to remain alert to economic changes which affect our businesses, and to respond to ever-changing consumer demands.

WE WILL CONTINUE

to successfully meet all challenges through planning, balanced diversification and orderly growth.

WE TAKE OUR RESPONSIBILITY

to our shareholders very seriously and are committed to be a model for good corporate governance.



THE MARCUS CORPORATION

100 East Wisconsin Avenue, Suite 1900 Milwaukee, Wisconsin 53202-4125