

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM S-3
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

The Marcus Corporation
(Exact name of registrant as specified in its charter)

Wisconsin 39-1139844
(State or other jurisdiction of (I.R.S. Employer Identification No.)
incorporation or organization)

250 East Wisconsin Avenue, Suite 1700
Milwaukee, Wisconsin 53202
(414) 272-6020
(Address, including zip code, and telephone number, including
area code, of registrant's principal executive offices)

Thomas F. Kissinger General Counsel and Secretary The Marcus Corporation 250 East Wisconsin Avenue, Suite 1700 Milwaukee, Wisconsin 53202 (414) 272-6020 Facsimile: (414) 272-0669 (Name, address, including zip code, and telephone number, including area code, of agent for service)	With a copy to: Steven R. Barth Foley & Lardner 777 East Wisconsin Avenue Milwaukee, Wisconsin 53202 (414) 271-2400 Facsimile: (414) 297-4900
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Approximate date of commencement of proposed sale to the public:
From time to time after this registration statement becomes effective.

If the only securities being registered on this Form are being
offered pursuant to dividend or interest reinvestment plans, please check
the following box.

If any of the securities being registered on this Form are to be
offered on a delayed or continuous basis pursuant to Rule 415 under the
Securities Act of 1933, other than securities offered only in connection
with dividend or interest reinvestment plans, please check the following
box.

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Amount to be Registered	Proposed Maximum Offering Price Per Share	Proposed Maximum Aggregate Offering Price	Amount of Registration Fee
Common Stock, \$1 par value	500,000 shares	\$24.0(1)	\$12,000,000(1)	\$4,138

(1) Estimated pursuant to Rule 457(c) under the Securities Act of 1933
solely for the purpose of calculating the registration fee based on
the average of the high and low prices for The Marcus Corporation
Common Stock on the New York Stock Exchange on August 21, 1996.

The Registrant hereby amends this Registration Statement on such date
or dates as may be necessary to delay its effective date until the

Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until this Registration Statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

Prospectus

THE MARCUS CORPORATION

Dividend Reinvestment and
Associate Stock Purchase Plan

500,000 Shares of Common Stock, \$1 Par Value

The Marcus Corporation (the "Company") is offering to its shareholders and associates and the associates of its subsidiaries and covered affiliates, the opportunity to purchase shares of the Company's Common Stock, \$1 par value (the "Common Stock"), by reinvesting dividends and/or by making optional cash investments pursuant to The Marcus Corporation Dividend Reinvestment and Associate Stock Purchase Plan (the "Plan"). Eligible shareholders under the Plan may reinvest all or a portion of their cash dividends in shares of Common Stock as well as make optional cash investments of \$100 or more per investment in Common Stock up to a total of \$1,500 per calendar month. Eligible associates under the Plan may make optional cash investments, including payroll deductions, of \$10 or more per investment in Common Stock. In addition, dividends on all shares acquired and held in the accounts of participants under the Plan will be automatically reinvested in additional shares of Common Stock. The term "associates" as used herein refers to employees of the Company and its subsidiaries and covered affiliates.

The Common Stock is traded on the New York Stock Exchange under the symbol "MCS." On August 12, 1996, the last reported sale price of the Common Stock on the New York Stock Exchange was \$24.125 per share.

The Plan provides that shares of Common Stock may be purchased for participants from the Company or in the open market or in privately negotiated transactions. The price of newly issued shares purchased from the Company will be the average (computed to four decimal places) of the high and low prices of shares of Common Stock on the New York Stock Exchange on the date of purchase. The price of shares of Common Stock purchased for participants on the open market or in privately negotiated transactions will be the weighted average of the prices paid for such shares. No brokerage commissions, fees or service charges will be incurred by participants in connection with purchases of shares under the Plan (whether from the Company or on the open market or in privately negotiated transactions) or for participating in the Plan. For a detailed summary of the Plan, see "The Plan."

The Company suggests that this Prospectus be retained for future reference.

THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION NOR HAS THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

The date of this Prospectus is August 30, 1996

AVAILABLE INFORMATION

The Company is subject to the informational requirements of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and in accordance therewith files reports and other information with the Securities and Exchange Commission (the "Commission"). Reports, proxy statements and other information filed by the Company can be inspected and copied at the public reference facilities maintained by the Commission at 450 Fifth Street, N.W., Washington, D.C. 20549 and at the Commission's regional offices located at the Northwestern Atrium Center, 500 West Madison Street, Suite 1400, Chicago, Illinois 60661 and at 7 World Trade Center, 13th floor, New York, New York 10048. Copies of such material also may be obtained from the Public Reference Section of the Commission, 450 Fifth Street, N.W., Washington, D.C. 20549, at prescribed rates.

In addition, the Commission maintains a Web site that contains reports, proxy and information statements and other information regarding registrants that file electronically with the Commission. The address of such Web site is <http://www.sec.gov>.

The Company has filed with the Commission a Registration Statement on Form S-3 (together with all amendments and exhibits thereto referred to herein as the "Registration Statement") under the Securities Act of 1933 with respect to the Common Stock offered hereby. This Prospectus does not contain all of the information set forth in the Registration Statement, certain parts of which have been omitted in accordance with the rules and regulations of the Commission. For further information, reference is hereby made to the Registration Statement which may be inspected and copied in the manner and at the sources described above. For further information with respect to the Company and the Common Stock, reference is made to the Registration Statement, including the exhibits filed as a part thereof or incorporated by reference therein, which may be inspected at the principal office of the Commission, without charge, at 450 Fifth Street, N.W., Washington, D.C. 20549.

Copies of the Registration Statement may be obtained from the Commission at its principal office at Room 1024, 450 Fifth Street, N.W., Washington, D.C. 20549, upon payment of prescribed fees. Statements contained in this Prospectus as to the contents of any contract or other document are not necessarily complete and, where the contract or the document has been filed or incorporated by reference as an exhibit to the Registration Statement, each such statement is qualified in all respects by reference to the applicable document filed with the Commission.

INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE

The following documents filed by the Company with the Commission under the Exchange Act are incorporated in this Prospectus by reference and made a part hereof:

1. The Company's Annual Report on Form 10-K for the fiscal year ended May 30, 1996, which contains audited financial statements for the Company's fiscal year ended May 30, 1996.
2. The description of the Common Stock contained in the Company's Registration Statement on Form 8-A, dated November 15, 1993.

All documents subsequently filed by the Company pursuant to Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act, after the date of this Prospectus and prior to the termination of this offering, shall be deemed to be incorporated in this Prospectus by reference and to be a part hereof. Any statement contained in a document incorporated or deemed to be incorporated by reference in this Prospectus shall be deemed to be modified or superseded for purposes of this Prospectus to the extent that a statement contained in this Prospectus or in any other subsequently filed document which also is or is deemed to be incorporated by reference in this Prospectus modifies or supersedes such statement. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Prospectus.

The Company will provide without charge to each person to whom this Prospectus is delivered, upon written or oral request of such person, a copy of all of the information that has been incorporated in this Prospectus by reference (other than certain exhibits to documents

incorporated by reference). Such requests should be directed to Thomas F. Kissinger, General Counsel and Secretary, The Marcus Corporation, 250 East Wisconsin Avenue, Suite 1700, Milwaukee, Wisconsin 53202, telephone: (414) 272-6020.

THE COMPANY

The Company is engaged in operating four business segments: motels; hotels and resorts; movie theatres; and restaurants. The Company's motel operations include a chain of Budgetel Inns limited service motels and Woodfield Suites all-suite hotels. The Company's hotel and resort operations include owned and managed full service hotels and full-facility destination resorts. The Company also operates movie theatres and franchises a chain of KFC restaurants.

USE OF PROCEEDS

The Company has no basis for estimating either the number of authorized but unissued shares of Common Stock that will ultimately be sold by the Company pursuant to the Plan or the prices at which such shares will be sold. Any net proceeds received by the Company from the sale of shares under the Plan will be added to the Company's general funds and used for general corporate purposes. The Company will not receive any proceeds from the sale of shares under the Plan which are acquired on the open market or in privately negotiated transactions.

THE PLAN

The following is a summary of the provisions of the Plan. The full text of the Plan is filed with the Commission as an exhibit to the Registration Statement. This summary is subject to, and qualified by, the complete terms of the Plan to which reference is hereby made. This summary is not part of the legal documents constituting the Plan and does not modify the Plan or serve as a legal interpretation of any of its provisions.

Purpose

The purpose of the Plan is to provide shareholders of record of the Common Stock of the Company and eligible associates of the Company and its subsidiaries and covered affiliates with a simple and convenient method of purchasing shares of Common Stock. Once enrolled in the Plan, eligible shareholders may use cash dividends and/or make optional cash investments to acquire additional shares of Common Stock without incurring purchase fees, such as brokerage commissions or service charges. Eligible associates may use optional cash investments, including payroll deductions, to acquire shares of Common Stock without incurring purchase fees.

Administration of the Plan

Firstar Trust Company (the "Trust Company") has been appointed by the Company as its agent to administer the Plan, maintain records, send statements of account to participants and perform other duties relating to the Plan, subject to the direction of the Company. The Trust Company will hold for safekeeping the shares of Common Stock acquired under the Plan for each participant until termination of participation in the Plan or receipt of a request in writing from a participant for all or part of his or her Plan shares. Shares held by the Trust Company will be registered in the name of the Trust Company or one of its nominees, as agent for participants in the Plan. The Company acting through its Board of Directors may, at any time and in its sole discretion, appoint a successor administrator of the Plan upon 30 days' written notice to the Trust Company.

All inquiries, notices, requests and other communications regarding participation in the Plan should be directed to the Trust Company as follows:

Firstar Trust Company
The Marcus Corporation Dividend Reinvestment
and Associate Stock Purchase Plan
P.O. Box 2077
Milwaukee, Wisconsin 53201

Advantages of Participating in the Plan

Participants in the Plan who are shareholders of record of Common Stock may:

- Automatically reinvest dividends on all or a portion of their shares of Common Stock held of record.
- Invest additional cash (in amounts of not less than \$100 per investment, up to a maximum of \$1,500 per calendar month) to purchase additional shares of Common Stock.

Participants in the Plan who are eligible associates may:

- Invest cash (in amounts of not less than \$10 per investment) to purchase additional shares of Common Stock.
- Establish a periodic investment plan by authorizing automatic after-tax payroll deductions (in amounts of not less than \$10 per pay period) to purchase additional shares of Common Stock.

All participants in the Plan will:

- Have cash dividends on shares credited to their Plan accounts automatically reinvested in additional shares of Common Stock.
- Participate without incurring fees in connection with purchases of additional shares of Common Stock under the Plan, including brokerage commissions or service charges.
- Benefit from full investment of funds under the Plan because fractional shares, as well as whole shares, will be credited to their accounts; dividends on such fractional shares, as well as on whole shares, will be reinvested in additional shares.
- Avoid the need for safekeeping of certificates for shares of Common Stock credited to their accounts under the Plan.
- Receive periodic statements from the Trust Company reflecting all current activity in their Plan account, thereby affording participants simplified recordkeeping.

Participation by Shareholders of Record

Eligibility. Any shareholder who has shares of Common Stock registered in his or her own name on the books of the Company is eligible to participate in the Plan. (Shareholders owning Class B Common Stock will not, solely as a result of such ownership, be eligible to participate in the Plan.) A beneficial owner of Common Stock, whose shares are registered in the name of another (e.g., in a broker's "street name" or in the name of a bank nominee or trustee) and who desires to participate in the Plan, must either make appropriate arrangements with the record holder to participate on behalf of the beneficial owner or must become a shareholder of record by having part or all of such shares transferred into his or her own name. Shares held by an individual in the Company's Pension Plus Plan are not registered in the name of the individual and are not eligible for participation in the Plan with respect to such shares.

Participation by shareholders of record of Common Stock in the Plan is completely voluntary. Shareholders who do not elect to participate in the Plan will continue to receive their cash dividends if, when and as declared by the Board of Directors of the Company. On April 10, 1996, the Company publicly announced that its Board of Directors intended to commence the quarterly payment of dividends, subject to future authorization and declaration by the Board of Directors in each case. Prior to such announcement, since 1984 the Company had paid annual cash dividends to its shareholders. Payment of cash dividends in the future by the Company will depend on its future earnings, financial requirements and other factors. There can be no assurance that the Company will continue to pay cash dividends or pay cash dividends at the same rates or in the same amounts as in prior years.

Investment Options. An eligible shareholder of record of Common Stock may elect to participate in the Plan through the following dividend reinvestment and/or cash investment options:

Full Dividend Reinvestment - Directs the Trust Company to reinvest the cash dividends on all shares of Common Stock currently or subsequently registered in the participant's name.

Partial Dividend Reinvestment - Directs the Trust Company to reinvest the cash dividends on a designated number of the shares of Common Stock registered in the name of the participant. The Company will continue to pay cash dividends directly to the participant on the other shares held in his or her name.

Optional Cash Investments - Permits the shareholder participant to make optional cash investments of \$100 or more per investment, up to a maximum of \$1,500 per calendar month, for the purchase of additional shares of Common Stock, whether or not any dividends on the shares of Common Stock registered in the name of the participant are reinvested. Such investments may be effected by making cash payments directly to the Trust Company. A non-associate must first be a shareholder of record before being allowed to make optional cash investments.

All shares acquired by a shareholder through dividend reinvestment and optional cash investments will be credited to the participant's account under the Plan. Cash dividends on shares (including any fractional share interest) of Common Stock held in the participant's account under the Plan will be automatically reinvested in additional shares of Common Stock.

Enrollment. An eligible shareholder may join the Plan at any time by properly completing and signing the Shareholder Authorization Form accompanying this Prospectus and mailing it to the Trust Company, along with any necessary postage, in the envelope provided for that purpose. If the shares of Common Stock are registered in more than one name (e.g., joint tenants or trustees), all registered holders must sign. Shareholder Authorization Forms may be obtained at any time by writing the Trust Company.

The reinvestment of a shareholder participant's dividends will begin with the dividend payment date immediately following the date on which a signed and properly completed Shareholder Authorization Form specifying reinvestment of dividends is received by the Trust Company, provided that the Form is received by the Trust Company at least two business days before the record date for a dividend payment. If the Shareholder Authorization Form is received by the Trust Company after that time, the reinvestment of dividends will begin with the next cash dividend payment. Dividend payment dates in the future for the Common Stock are expected to be on or about the 15th day of February, May, August and November (or the closest business day thereto if such dividend payment date is not a business day). Each corresponding record date is expected to be 21 days in advance of such dividend payment date. There can be no assurance that these dates will not change or that the Company will continue paying quarterly cash dividends.

Each shareholder participant is fully responsible for the proper completion and timely delivery to the Trust Company of his or her Shareholder Authorization Form. Neither the Trust Company nor the Company may be held responsible for Shareholder Authorization Forms which are not properly completed or timely delivered.

Participation in the Plan by an eligible shareholder making optional cash investments is described below under "Optional Cash Investments."

Change of Investment Option. A shareholder participant may change his or her investment option by obtaining and properly completing a new Shareholder Authorization Form and sending it to the Trust Company. With respect to the reinvestment of dividends, the new Shareholder Authorization Form must be received by the Trust Company at least two business days before the record date for a dividend payment in order to be effective for such payment. Each shareholder participant is fully responsible for the proper completion and timely delivery to the Trust

Company of his or her Shareholder Authorization Form. Neither the Trust Company nor the Company may be held responsible for Shareholder Authorization Forms which are not properly completed or timely delivered.

Participation by Associates

Eligibility. Any full-time or part-time associate of the Company or any of its subsidiaries is eligible to participate in the Plan if he or she: (i) is at least 18 years of age; (ii) has completed one year of employment service in which the associate worked at least 1,000 hours for the Company or a subsidiary or covered affiliate; and (iii) is not covered under a collective bargaining agreement or is covered under a collective bargaining agreement which specifically provides for the associate's participation in the Plan. Associates need not be shareholders of record to participate in the Plan. Participation by associates in the Plan is completely voluntary.

Investment Options. An associate may participate in the Plan by making optional cash payments directly to the Trust Company or by authorizing the Company to automatically deduct a specified amount from each of the associate's payroll checks and then promptly forwarding such deducted amounts to the Trust Company for investment in Common Stock. All such payroll deductions will be made with after-tax dollars. For a discussion of the procedures for making optional cash investments, see "Optional Cash Investments" below.

All shares acquired by an associate through optional cash investments will be credited to the associate's account under the Plan. Cash dividends on shares (including fractional shares) of Common Stock held in the associate participant's account under the Plan will be automatically reinvested in additional shares of Common Stock. An associate may not choose to have dividends reinvested on only a partial number of shares held in his or her associate's account.

Enrollment. An associate may join the Plan at any time by properly completing and signing the Associate Authorization Form accompanying this Prospectus and mailing it to the Trust Company, together with any necessary postage, in the envelope provided for that purpose. Each associate participant is fully responsible for the proper completion and timely delivery to the Trust Company of his or her Associate Authorization Form. Neither the Trust Company nor the Company may be held responsible for Associate Authorization Forms which are not properly completed or timely delivered.

An associate's participation in the Plan will commence as soon as practicable after a properly completed and signed Associate Authorization Form is received by the Trust Company. In order to be entitled to receive dividends and have them reinvested under the Plan, an associate must have shares in his or her Plan account on or before a record date for the payment of dividends. Dividend payment dates in the future for the Common Stock are expected to be on or about the 15th day of February, May, August and November (or the next closest business day if such dividend payment date is not a business day). Each corresponding record date is expected to be about 21 days in advance of such dividend payment date. There can be no assurance that these dates will not change or that the Company will continue paying quarterly cash dividends.

Associates Who Are Shareholders of Record. An associate who is a shareholder of record and who desires to reinvest cash dividends on all or part of the shares of Common Stock held in his or her own name on the books of the Company may enroll in the Plan by executing a Shareholder Authorization Form and forwarding it to the Trust Company in the manner described above under "Participation by Shareholders of Record."

Associate Participants Who Leave the Company. Termination of employment does not automatically terminate participation in the Plan. Dividends on all shares held under the Plan for the account of an associate participant who leaves the Company will continue to be reinvested until the participant withdraws from the Plan. Optional cash investments may continue to be made by such a participant so long as there are shares credited to his or her account under the Plan.

Optional Cash Investments

How the Cash Investment Option Works. An initial optional cash

investment may be made by an eligible shareholder or an eligible associate when enrolling in the Plan by sending a check or money order (payable to Firststar Trust Company) to the Trust Company with a properly completed and signed Shareholder Authorization Form (in the case of a shareholder of record) or Associate Authorization Form (in the case of an eligible associate). Once enrolled, the participant may use the designated portion of any statement of account supplied by the Trust Company to make additional optional cash investments. Optional cash investments, if made by participants in such manner, need not be in the same amount each time and such investments need not be made on a regular basis.

Associate participants under the Plan may also authorize the Company to automatically deduct a fixed amount from each of their payroll checks to purchase Common Stock. All such deductions will be made with after-tax dollars. To participate through payroll deductions, an associate participant must properly complete, sign and return to the Trust Company an Associate Authorization Form and indicate on such Form that he or she desires to have the specified amount (no less than \$10) deducted from each of his or her payroll checks. The Trust Company will provide a copy of such Form to the Human Resources Department of the Company, which will then coordinate the appropriate payroll deductions. Each associate participant is fully responsible for the proper completion and timely delivery to the Trust Company of his or her Associate Authorization Form. Neither the Trust Company nor the Company may be held responsible for Associate Authorization Forms which are not properly completed or timely delivered. Automatic deductions will be made, starting as soon as possible after the Form is received by the Company from the Trust Company, in the specified fixed amount from each of the associate participant's payroll checks and will be forwarded promptly by the Company to the Trust Company to allow for investment in the Common Stock. Neither the Trust Company nor the Company may be held responsible for administrative delays in effecting payroll deductions and their subsequent investment. An associate participant may change the amount of automatic payroll deduction by obtaining and properly completing and signing a new Associate Authorization Form and sending it to the Trust Company. Any such change will be effective as soon as administratively practicable after the Trust Company receives a properly completed and signed new Associate Authorization Form. An associate participant may likewise discontinue the automatic payroll deductions by notifying the Trust Company in writing. In each case above, the Trust Company will provide a copy of such change or termination to the Company. The Trust Company will continue to reinvest dividends on shares in the participant's Plan account until the participant withdraws from the Plan. See "Withdrawal from the Plan."

Optional cash investments received from participants or automatically deducted from associate participants' payroll, will be applied by the Trust Company to the purchase of additional shares of Common Stock as of the Investment Date (as such term is defined under "Purchase of Shares" below) following the receipt of such payments, except as otherwise provided herein. To be reinvested on the next Investment Date, optional cash investments must be received by the Trust Company no later than the 10th of each month (or the next succeeding business day if the 10th of the month is not a business day). Any optional cash received thereafter will be held by the Trust Company and invested on the next succeeding Investment Date. NO INTEREST WILL BE PAID BY THE COMPANY OR THE TRUST COMPANY ON OPTIONAL CASH INVESTMENTS. THEREFORE, OPTIONAL CASH INVESTMENTS WHICH ARE MAILED TO THE TRUST COMPANY SHOULD BE SENT SO AS TO REACH THE TRUST COMPANY SHORTLY BEFORE THE DEADLINE. PARTICIPANTS SHOULD ALLOW ADEQUATE TIME FOR MAILING. PARTICIPANTS ARE RESPONSIBLE FOR PROPER COMPLETION AND TIMELY DELIVERY.

Limitations on Amounts of Optional Investments by Shareholders. Each optional cash investment by a non-associate shareholder participant must be at least \$100 per month, and the maximum of each such optional cash investment may not exceed \$1,500 per calendar month. Each optional cash investment by an associate participant must be at least \$10 per investment, with no maximum limitation. All amounts received by the Trust Company for investment under the Plan must be denominated in United States dollars.

In the case of a nominee who holds Common Stock for more than one beneficial owner, optional cash investments of more than \$1,500 per calendar month may be made, provided such nominee certifies to the Trust Company and the Company, accompanied by such documentation as the Company may require, that each beneficial owner is not making optional cash

investments in excess of the per investment maximum.

Return of Uninvested Optional Cash Payments. A participant may, without terminating participation in the Plan, obtain the return of any uninvested optional cash payments (without interest) upon written request received by the Trust Company at least two business days prior to the applicable Investment Date; provided that it is verified that good funds were originally received by the Trust Company.

Costs and Expenses

All out-of-pocket costs and expenses associated with the operation of the Plan, including service charges, will be paid by the Company. However, a participant who instructs the Trust Company to sell Common Stock then held in the Plan for his or her account will be responsible for his or her pro rata share of applicable brokerage commissions, if any, plus a \$5.00 service fee.

Purchase of Shares

Reinvested Common Stock dividends, optional cash investments and proceeds (which will be treated as optional cash investments) from the sale or redemption of Common Stock subscription or other rights, if any, received by the Trust Company on behalf of participants will be used to acquire either outstanding Common Stock, or authorized and previously unissued Common Stock from the Company, provided that the Company is then willing to sell additional stock. In making purchases for a participant's account, the Trust Company will combine the participant's funds with those of other participants. It is understood that governmental regulations may require the temporary curtailment or suspension of purchases of Common Stock under the Plan. No interest will be paid on funds held by the Trust Company pending investment under the Plan.

Purchases of Common Stock under the Plan will be made on or as soon as practicable after the following applicable "Investment Dates":

(a) Each Common Stock cash dividend payment date is an Investment Date for the reinvestment of cash dividends.

(b) The 15th day of each month (or the next closest business day if the 15th is not a business day) is an Investment Date for the investment of optional cash by participants.

The number of shares of Common Stock to be purchased for a participant under the Plan depends on the purchase price of Common Stock on the applicable Investment Date and on the amount of the participant's cash dividends and optional cash to be invested. A participant's account will be credited with that number of shares of Common Stock (including any fractional share interest, computed to three decimal places) equal to the total amount to be invested divided by the applicable purchase price per share.

Share Purchase Prices

The price of shares of Common Stock purchased from the Company for participants will be the average (computed to four decimal places) of the high and low prices of shares of Common Stock on the New York Stock Exchange on the applicable Investment Date. If no trading occurs on the New York Stock Exchange in the Common Stock on the applicable Investment Date, the price will be determined with reference to the next preceding date on which the Common Stock was traded on the New York Stock Exchange. The price of shares of Common Stock purchased for participants on the open market or in privately negotiated transactions will be the weighted average of the prices paid for such shares on the date the shares are purchased. If shares are purchased on the open market or in privately negotiated transactions on more than one date, a weighted average of such averages will be used. In the event investment under the Plan is made both in newly-issued and previously-issued shares, the shares purchased will be allocated proportionately among the accounts of all participants for whom funds are being invested at that time.

Reports to Participants

The Trust Company will maintain an account for each participant. All shares of Common Stock (including any fractional shares, computed to

three decimal places) purchased for a participant under the Plan will be credited to his or her account. Each participant in the Plan will receive a quarterly statement of his or her account from the Trust Company as soon as practicable following each dividend payment date. The Trust Company will also furnish a participant with an account statement as soon as practicable following the investment of any optional cash (other than through payroll deductions).

If desired (as indicated on the participant's Authorization Form), each participant may with respect to his or her Plan shares receive copies of quarterly reports and certain other communications generally sent by the Company to holders of Common Stock. Each participant will receive copies of the Company's Annual Report and Notice of Annual Meeting and Proxy Statement. Information needed for reporting dividend income for federal income tax purposes will be provided to each participant in the Plan over the prior calendar year.

Withdrawal from the Plan

Timing and Effect of Withdrawal. A participant may withdraw from the Plan at any time by notifying the Trust Company in writing. A participant will be deemed to have withdrawn from the Plan upon the Trust Company receiving notice in writing of the participant's death. Termination of participation in the Plan by a shareholder of record will immediately stop all reinvestment of the participant's dividends if the properly completed and signed notice of withdrawal is received by the Trust Company not later than 10 business days prior to the record date for the next dividend payment. Investment of optional cash will stop immediately if notification of withdrawal from the Plan is received by the Trust Company at least two business days prior to the applicable Investment Date. The entire amount of any optional cash received from which investment has been stopped by termination of participation in the Plan will be refunded to the participant. In addition to the foregoing, the Trust Company may terminate any account by written notice to the participant and the Company.

Sale of Shares or Issuance of Certificates upon Withdrawal from the Plan. Upon termination of a participant's account, the participant (or his or her personal representative or other authorized agent) may elect to receive either stock or cash for all the full shares in the participant's account. If the participant's account with the Trust Company is terminated and the participant (or his or her personal representative or other authorized agent) elects to have the participant's shares in the Plan sold, the Trust Company will make such sale and send to the participant (or his or her personal representative or other authorized agent) the proceeds less any commissions and a \$5.00 service fee. Sales requests may be accumulated by the Trust Company, but no sales transactions will be delayed (unless otherwise required by law, the pending update of a payroll contribution or unless required to allow the Trust Company to credit the last dividend payment to the participant's account) for more than 10 business days. If funds are available, such shares may be purchased by the Trust Company for investment under the Plan at their current market value (determined in the same manner as the price of newly-issued shares is determined) as of the date of such sale to the Trust Company. If no election is made, and within a reasonable time after termination of participation in the Plan, a certificate for the shares purchased under the Plan will be issued and delivered to the participant or his or her estate for all full shares. In any event, any fractional interest in a share will be converted to cash at the market value as of the date of the sale thereof (determined in the same manner as the price of newly-issued shares is determined).

Rejoining the Plan. Any eligible shareholder of record or eligible associate may rejoin the Plan at any time by completing a new Authorization Form. However, the Company may reject any such Authorization Form from a previous participant on grounds of excessive termination and rejoining.

Certificates for Shares

Shares Held by the Trust Company. Certificates for shares of Common Stock purchased under the Plan will not be issued to a participant unless specifically requested in writing by the participant or until his or her account is terminated. The number of shares credited to a participant's account under the Plan will be shown on each account

statement mailed to the participant. While in the custody of the Trust Company, shares of Common Stock purchased under the Plan will be registered in the name of the Trust Company or one of its nominees. This convenience protects against loss, theft or destruction of stock certificates.

At any time a participant may, without terminating participation in the Plan, request in writing that the Trust Company issue a certificate for all or part of the whole shares credited to his or her Plan account. Any remaining whole shares and fractional share interest will continue to be credited to the participant's account. A participant must request issuance of a certificate for any shares of Common Stock purchased under the Plan which he or she desires to sell, pledge or transfer.

Certificates for fractional share interests will not be issued under any circumstances.

Name in Which Certificates will be Issued. Shareholder participants' accounts under the Plan will be maintained in the names in which certificates for shares of Common Stock of such participants are registered at the time they enter the Plan. The account of an associate participating in the Plan will be maintained in his or her own name. An associate may not establish an account or interest therein for other persons. Certificates for whole shares, when issued, will be registered in the names in which accounts under the Plan are maintained.

Should a participant want his or her shares registered in any other name upon the withdrawal of the shares from the Plan, the participant must so indicate in his or her request to the Trust Company and comply with all appropriate transfer requirements. In the event of such a request, the participant will be responsible for any transfer taxes that may be due and for compliance with any applicable transfer restrictions.

No Transfer of Shares Held in Plan; No Right to Draw Against Account. Shares of Common Stock credited to the account of a participant under the Plan may not be assigned, pledged as collateral or otherwise transferred. A participant who wishes to assign, pledge or otherwise transfer such shares must execute and deliver to the Trust Company a request (with signature guaranteed if the certificate will be registered in other than the participant's name) that a certificate for such shares be issued in his or her name. In addition, participants will not have the right to draw checks or drafts against their accounts under the Plan.

General Information

Sale or Transfer of Registered Shares. If a participant disposes of all the shares of Common Stock registered in his or her name, but retains shares in the Plan, the Trust Company will continue to reinvest the cash dividends on shares in the Plan, subject to a participant's right to withdraw from the Plan at any time.

If a shareholder participant who has selected the partial dividend reinvestment option disposes of a portion of the shares registered in his or her name, to the extent that such participant has registered in his or her name fewer shares than the number of shares designated as participating in the Plan, dividends on all shares remaining in the name of the participant will be reinvested under the Plan. If such participant subsequently acquires additional shares registered in his or her name, such additional shares shall be deemed to participate in the Plan until the number of shares equals the number of shares designated as participating in the Plan on the participant's then current Shareholder Authorization Form.

Stock Dividends and Issuance of Rights. Any shares distributed pursuant to stock dividends or stock splits effected by the Company on shares held by the Trust Company for a participant will be credited to such participant's account. In the event that the Company makes available to the holders of its Common Stock subscription or other rights to purchase additional shares of Common Stock or other securities, the Trust Company will (if and when such rights trade independently) sell the rights accruing to all shares held by the Trust Company for the participants and will apply the net proceeds of such sale to the purchase of additional shares of Common Stock. The Company will notify each participant in advance of any such offer. If the participant does not want the Trust

Company to sell his or her rights and invest the proceeds, it will be necessary for such participant to transfer all full shares held under the Plan to his or her own name by a given date. This will permit the participant to exercise, transfer or sell the rights on such shares. In the event that rights issued by the Company are redeemed prior to the date that such rights trade independently, the Trust Company will invest the resultant funds in additional shares of Common Stock.

Voting of Shares Held in Plan. If a participant holds certificates for shares of Common Stock, the participant will be sent a proxy card (together with applicable proxy solicitation materials) in connection with any annual or special meeting of shareholders. This proxy will apply to all shares registered in the participant's name and to all whole shares credited to the participant's account under the Plan. If the participant does not hold certificates for shares, the participant will receive a proxy card (together with applicable proxy solicitation materials) on which to indicate how the shares held by the Trust Company in the participant's Plan account are to be voted. Fractional shares may not be voted.

A proxy card which is properly signed and returned will be voted in the manner directed therein. If the proxy card is properly signed and returned but no voting instructions are given with respect to any or all items on the card, all of the participant's shares of Common Stock covered by such proxy card will be voted in accordance with the recommendations of the Company's management or Board of Directors. If the card is not returned or is returned unsigned, the participant's shares will not be voted.

Duties and Responsibilities of the Company and the Trust Company. Other than for willful misconduct, neither the Company nor the Trust Company nor its nominees will have any responsibility for any action taken or omitted pursuant to the Plan, nor will they have any duties, responsibilities or liabilities except as expressly set forth in the Plan. Other than for willful misconduct, the Company and the Trust Company will not be liable under the Plan for any act or for any omission to act, including without limitation, any claims of liability (a) with respect to the time or prices at which shares are purchased or sold for a participant's account, or any inability to purchase or sell shares; (b) for any fluctuation in the market value after purchase or sale of shares; (c) any administrative delay in effecting payroll deductions; (d) delays resulting from the improper completion or delivery of Authorization Forms, changes thereto or withdrawal requests; or (e) arising out of a failure to terminate a participant's account upon such participant's death prior to receipt of notice in writing of such death.

Amendment and Termination of the Plan. The Company reserves the right to suspend, modify or terminate the Plan at any time. All participants will be notified of any suspension, termination or significant modification of the Plan within a reasonable time prior to such change.

FEDERAL INCOME TAX CONSIDERATIONS

The following summary sets forth the general federal income tax consequences for an individual participating in the Plan. This discussion is not, however, intended to be an exhaustive treatment of such tax considerations. Future legislative changes or changes in administrative or judicial interpretations, some or all of which may be retroactive, could significantly alter the tax treatment discussed herein. Accordingly, and because tax consequences may differ among participants in the Plan, each participant is urged to consult his or her own tax advisor to determine the particular tax consequences (including state income tax consequences) that may result from participation in and the subsequent disposal of shares purchased under the Plan.

General Considerations

In general, participants reinvesting dividends under the Plan have the same federal income tax consequences with respect to their dividends as do shareholders who are not participants in the Plan. On the dividend payment date, participants will receive a taxable dividend equal to the cash dividend reinvested, to the extent the Company has earnings and profits. This treatment applies with respect to both the shares of Common Stock held of record by such participants and such participants'

Plan account shares and even though the dividend amount is not actually received in cash but is instead applied to the purchase of shares of Common Stock under the Plan. If shares are purchased on the open market or in a privately negotiated transaction, each participant's share of brokerage fees, if any, paid by the Company will also be taxed as an additional dividend to that participant, to the extent the Company has earnings and profits.

Shares or any fraction thereof of Common Stock purchased on the open market or in a privately negotiated transaction with reinvested dividends will have a tax basis equal to the amount paid therefor, increased by any brokerage fees treated as a dividend to the participant. Shares or any fraction thereof of Common Stock purchased from the Company with reinvested dividends will have a tax basis equal to the amount of the dividend. Whether purchased on the open market or in a privately negotiated transaction or from the Company, the shares or any fraction thereof will have a holding period beginning on the day following the purchase date.

Participants that make optional cash investments under the Plan will be deemed to have received an additional taxable dividend in the amount of the participant's pro rata share of the brokerage commissions, if any, paid by the Company on the shares acquired under the Plan, to the extent the Company has earnings and profits. Such brokerage commissions may only be incurred on the purchase of Common Stock in the open market or in privately negotiated transactions. Shares or any fraction thereof purchased with optional cash investments will have a tax basis equal to the amount of such payments increased by the amount of brokerage fees, if any, treated as a taxable dividend to the participant with respect to those shares or fraction thereof. The holding period for such shares or fraction thereof will begin on the day following the purchase date.

Participants should not be treated as receiving an additional taxable distribution relating to their pro rata share of the Trust Company's fees or other costs of administering the Plan, all of which will be paid by the Company. However, there can be no assurance that the Internal Revenue Service ("IRS") will concur with this position. The Company has no present plans to seek formal advice from the IRS on this issue.

Participants will not recognize taxable income when they receive certificates for whole shares credited to their account, either upon their request for such certificates or upon withdrawal from or termination of the Plan. However, participants will generally recognize gain or loss when whole shares acquired under the Plan are sold or exchanged either through the Plan at their request or by the participants after withdrawal from or termination of the Plan. Participants will also generally recognize gain or loss when they receive cash payments for fractional shares credited to their account upon withdrawal from or termination of the Plan. The amount of gain or loss will be the difference between the amount a participant receives for his or her whole shares or fractional shares and the tax basis for such shares. Generally, the gain or loss will be a capital gain or loss, long-term or short-term depending on the holding period. Currently, net long-term capital gains of certain taxpayers are taxed at lower rates than other items of taxable income.

Purchases of shares of Common Stock through payroll deductions by participants who are eligible associates of the Company or its subsidiaries will be made on an after-tax basis (i.e., after all appropriate payroll tax and other deductions have been made).

Tax Withholding

If a participant is a foreign shareholder whose dividends are subject to United States income tax withholding, or a participating domestic shareholder subject to backup withholding, the tax required to be withheld will be deducted from the amount of cash dividends reinvested. Since such withholding tax applies also to a dividend on shares credited to the participant's Plan account, only the net dividend on such shares will be applied to the purchase of additional shares of Common Stock. Regular statements sent to such participants will indicate the amount of tax withheld. Likewise, participants selling shares through the Plan who are subject to backup or other withholding will receive only the net cash proceeds from such sale as required by the Internal Revenue Code and the regulations thereunder. The Company cannot refund amounts withheld.

Participants subject to withholding should contact their tax advisors or the IRS for additional information.

LEGAL MATTERS

The validity of the issuance by the Company of authorized but unissued or treasury shares of Common Stock offered hereby will be passed upon for the Company by Foley & Lardner, Milwaukee, Wisconsin.

EXPERTS

The consolidated financial statements of The Marcus Corporation appearing in the Company's Annual Report on Form 10-K for the year ended May 30, 1996 have been audited by Ernst & Young LLP, independent auditors, as set forth in their report thereon included therein and incorporated herein by reference. Such consolidated financial statements are incorporated herein by reference in reliance upon such report given upon the authority of such firm as experts in accounting and auditing.

No person has been authorized to give any information or to make any representations, other than those contained or incorporated by reference in this Prospectus, in connection with the offer made by this Prospectus and, if given or made, such information or representations must not be relied upon as having been authorized by the Company. This Prospectus does not constitute an offer to sell or a solicitation of an offer to buy any security in any jurisdiction to any person to whom it is unlawful to make such offer or solicitation in such jurisdiction. Neither the delivery of this Prospectus nor any sale made hereunder shall under any circumstances imply that there has been no change in the affairs of the Company since the date hereof or that the information contained herein or incorporated by reference herein is correct as of any time subsequent to its date.

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[LOGO]

THE MARCUS CORPORATION

DIVIDEND REINVESTMENT AND ASSOCIATE STOCK PURCHASE PLAN

PROSPECTUS

PART II

INFORMATION NOT REQUIRED IN PROSPECTUS

Item 14. Other Expenses of Issuance and Distribution.

The following is a statement of estimated expenses to be paid by the Registrant in connection with the issuance and distribution of the securities being registered hereby:

Securities and Exchange Commission registration fee	\$4,138
New York Stock Exchange listing fee	1,500
Accounting fees and expenses	4,000
Legal fees and expenses	15,000
Printing	12,000
Miscellaneous expenses	3,362

Total	\$40,000
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Item 15. Indemnification of Directors and Officers.

Pursuant to the provisions of the Wisconsin Business Corporation Law and the Registrant's By-Laws, directors and officers of the Registrant are entitled to mandatory indemnification from the Registrant against certain liabilities and expenses (i) to the extent such officers or directors are successful in the defense of a proceeding and (ii) in proceedings in which the director or officer is not successful in defense thereof, unless (in the latter case only) it is determined that the director or officer breached or failed to perform his or her duties to the Registrant and such breach or failure constituted: (a) a willful failure to deal fairly with the Registrant or its shareholders in connection with a matter in which the director or officer had a material conflict of interest; (b) a violation of the criminal law unless the director or officer had reasonable cause to believe his or her conduct was lawful or had no reasonable cause to believe his or her conduct was unlawful; (c) a transaction from which the director or officer derived an improper personal profit; or (d) willful misconduct. It should be noted that the Wisconsin Business Corporation Law specifically states that it is the public policy of Wisconsin to require or permit indemnification in connection with a proceeding involving securities regulation, as described therein, to the extent required or permitted as described above. Additionally, under the Wisconsin Business Corporation Law, directors of the Registrant are not subject to personal liability to the Registrant, its shareholders or any person asserting rights on behalf thereof for certain breaches or failures to perform any duty resulting solely from their status as directors, except in circumstances paralleling those outlined in (a) through (d) above.

Expenses for the defense of any action for which indemnification may be available may be advanced by the Registrant under certain circumstances.

The indemnification provided by the Wisconsin Business Corporation Law and the Registrant's By-Laws is not exclusive of any other rights to which a director or officer of the Registrant may be entitled.

The Registrant maintains a liability insurance policy for its directors and officers as permitted by Wisconsin law which may extend to, among other things, liability arising under the Securities Act of 1933.

Item 16. Exhibits.

The exhibits filed herewith or incorporated by reference herein are set forth and incorporated herein from the attached Exhibit Index.

Item 17. Undertakings.

(a) The Registrant hereby undertakes as follows:

(1) To file, during any period in which offers or sales are being made, a post-effective amendment to this Registration Statement:

(i) To include any prospectus required by Section 10(a)(3) of the Securities Act of 1933;

(ii) To reflect in the prospectus any facts or events arising after the effective date of the Registration Statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the Registration Statement;

(iii) To include any material information with respect to the plan of distribution not previously disclosed in the Registration Statement or any material change to such information in the Registration Statement;

provided, however, that paragraphs (a)(1)(i) and (a)(1)(ii) do not apply if the information required to be included in a post-effective amendment by those paragraphs is contained in periodic reports filed by the Registrant pursuant to Section 13 or Section 15(d) of the Securities Exchange Act of 1934 that are incorporated by reference in the Registration Statement.

(2) That, for the purpose of determining any liability under the Securities Act of 1933, each such post-effective amendment shall be deemed to be a new Registration Statement relating to the securities offered herein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(3) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

(b) The undersigned Registrant hereby undertakes that, for purposes of determining any liability under the Securities Act of 1933, each filing of the Registrant's annual report pursuant to Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934 that is incorporated by reference in the Registration Statement shall be deemed to be a new Registration Statement relating to the securities offered herein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(c) Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the Registrant pursuant to the foregoing provisions, or otherwise, the Registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the Registrant of expenses incurred or paid by a director, officer or controlling person of the Registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the Registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Act and will be governed by the final adjudication of such issue.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the Registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-3 and has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Milwaukee, State of Wisconsin, on August 30, 1996.

THE MARCUS CORPORATION

By: /s/ Stephen H. Marcus
Stephen H. Marcus

Chairman of the Board, President
and Chief Executive Officer

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed below by the following persons in the capacities indicated as of August 30, 1996. Each person whose signature appears below constitutes and appoints Stephen H. Marcus, Thomas F. Kissinger and Douglas Neis, and each of them individually, his or her true and lawful attorneys-in-fact and agents, with full power of substitution and resubstitution, for him or her and in his or her name, place and stead, in any and all capacities, to sign any and all amendments (including post-effective amendments) to this Registration Statement and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto each said attorney-in-fact and agent full power and authority to do and perform each and every act and thing requisite and necessary to be done, as fully as he or she might or could do in person, hereby ratifying and confirming all that each said attorney-in-fact and agent may lawfully do or cause to be done by virtue hereof.

/s/Stephen H. Marcus Stephen H. Marcus Chairman of the Board, President, Chief Executive Officer and Director (Chief Executive and Financial Officer)	/s/Kenneth A. MacKenzie Kenneth A. MacKenzie Treasurer (Chief Accounting Officer)	/s/Bruce J. Olson Bruce J. Olson Group Vice President and Director
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/s/John L. Murray John L. Murray Director	/s/Allan H. Selig Allan H. Selig Director	/s/George R. Slater George R. Slater Director
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/s/Lee Sherman Dreyfus Lee Sherman Dreyfus Director	/s/Daniel F. McKeithan, Jr. Daniel F. McKeithan, Jr. Director	/s/Diane Marcus Gershowitz Diane Marcus Gershowitz Director
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/s/Timothy E. Hoeksema
Timothy E. Hoeksema
Director

EXHIBIT INDEX

Exhibit Number	Document Description
4.1	Articles of Incorporation. [Incorporated by reference to Exhibit 3.1 to the Company's Form S-3 Registration Statement (No. 33-57468).]
4.2	By-laws, as amended as of September 28, 1995. [Incorporated by reference to Exhibit 3.2 to the Company's Annual Report on Form 10-K for the fiscal year ended May 30, 1996.]
4.3	The Marcus Corporation Dividend Reinvestment and Associate Stock Purchase Plan.
4.4	Shareholder Authorization Form for use in connection with The Marcus Corporation Dividend Reinvestment and Associate Stock Purchase Plan.
4.5	Associate Authorization Form for use in connection with The Marcus Corporation Dividend Reinvestment and Associate Stock Purchase Plan.
4.6	Shareholder Introductory Letter
4.7	Associate Introductory Letter
4.8	Shareholder Brochure
4.9	Associate Brochure
5	Opinion of Foley & Lardner

- 23.1 Consent of Ernst & Young LLP
- 23.2 Consent of Foley & Lardner (included as part of Exhibit 5 hereto)
- 24 Power of Attorney relating to subsequent amendments (included on the signature page of the Registration Statement)

THE MARCUS CORPORATION

DIVIDEND REINVESTMENT AND ASSOCIATE STOCK
PURCHASE PLAN

1. Purpose. The purpose of The Marcus Corporation Dividend Reinvestment and Associate Stock Purchase Plan (the "Plan") is to provide shareholders of record of the Common Stock, \$1 par value (the "Common Stock"), of The Marcus Corporation (the "Company") and associates of the Company and its subsidiaries and covered affiliates with a simple and convenient method of purchasing shares of Common Stock. Once enrolled in the Plan, eligible shareholders may use cash dividends on the Common Stock and/or make optional cash investments to acquire additional shares of Common Stock without incurring purchase fees, such as brokerage commissions or service charges. Eligible associates may use optional cash investments, including payroll deductions, to acquire shares of Common Stock without incurring purchase fees.

2. Administration. Firstar Trust Company (the "Trust Company") has been appointed by the Company as its agent to administer the Plan, maintain records, send statements of account to participants and perform other duties relating to the Plan, subject to the direction of the Company. The Trust Company will hold for safekeeping the shares of Common Stock acquired under the Plan for each participant until termination of participation in the Plan or receipt of a request in writing from a participant for all or part of his or her Plan shares. Shares held by the Trust Company will be registered in the name of the Trust Company or one of its nominees, as agents for participants in the Plan. The Company acting through its Board of Directors may, at any time and in its sole discretion, appoint a successor administrator of the Plan upon 30 days' written notice to the Trust Company. The Company shall not be required to give participants advance notice of such an appointment.

3. Shares Subject to the Plan. Reinvested Common Stock dividends, optional cash investments and proceeds (which will be treated as optional cash investments) from the sale or redemption of Common Stock subscription or other rights, if any, received by the Trust Company on behalf of participants will be used to acquire either outstanding Common Stock, or authorized and previously unissued Common Stock from the Company, provided that the Company is then willing to sell such additional stock. The maximum number of authorized and previously unissued shares of Common Stock which may be issued for purposes of the Plan is 500,000; provided, however, that in the event of any change in the outstanding Common Stock by reason of stock dividends, recapitalizations, reorganizations, mergers, consolidations, split-ups, combinations or exchanges of shares or comparable transactions, the number of shares which thereafter may be issued by the Company under the Plan shall be appropriately adjusted by the Company.

4. Participation by Shareholders.

(a) Eligibility. Any shareholder who has shares of Common Stock registered in his or her own name on the books of the Company is eligible to participate in the Plan. A beneficial owner, whose shares are registered in the name of another (e.g., in a broker's "street name" or in the name of a bank nominee or trustee) and who desires to participate in the Plan, must either make appropriate arrangements with the record holder to participate on behalf of the beneficial owner or must become a shareholder of record by having part or all of such shares transferred into his or her own name.

(b) Investment Options. An eligible shareholder of record of Common Stock may elect to participate in the Plan through the following dividend reinvestment and/or optional cash investment options:

(i) Reinvestment of all cash dividends on all shares of Common Stock currently or subsequently registered in the participant's name.

(ii) Reinvestment of all cash dividends on a

designated number of shares of Common Stock registered in the name of the participant.

(iii) Optional cash investments as provided in Paragraph 6.

All shares acquired by a shareholder of record through dividend reinvestment and optional cash investments will be credited to the shareholder's account under the Plan. Cash dividends on shares (including fractional shares) of Common Stock held in the participant's account under the Plan will be automatically reinvested in additional shares of Common Stock. Fractional shares will be computed to three decimal places.

(c) Enrollment and Change of Investment Options. An eligible shareholder may enroll in the Plan at any time by properly completing and signing a Shareholder Authorization Form and returning the completed Form to the Trust Company. The shareholder is responsible for proper completion and timely delivery to the Trust Company of the Shareholder Authorization Form. If the shares of Common Stock are registered in more than one name (e.g., joint tenants or trustees), all registered holders will be required to sign the Shareholder Authorization Form. The reinvestment of a shareholder participant's dividends will begin with the dividend payment date immediately following the date on which a properly completed and signed Shareholder Authorization Form specifying reinvestment of dividends is received by the Trust Company, provided such Form is properly completed and received by the Trust Company at least two business days before the record date for a dividend payment. If the Shareholder Authorization Form is received after that time, the reinvestment of dividends will begin with the next cash dividend payment. Participation in the Plan by an eligible shareholder with optional cash investments is governed by Paragraph 6.

A shareholder participant may change his or her investment option by obtaining and completing a new Shareholder Authorization Form and sending it to the Trust Company. With respect to the reinvestment of dividends, the new Shareholder Authorization Form must be received by the Trust Company at least two business days before the record date for a dividend payment in order to be effective for such payment.

5. Participation by Associates.

(a) Eligibility. The term "associate(s)" as used in this Plan means an employee of the Company or a subsidiary who meets the eligibility criteria hereinafter set forth. Any associate, who is an employee on the payroll of the Company or any of its subsidiaries, is eligible to participate in the Plan if he or she meets the following criteria: (i) he or she is at least 18 years old; (ii) he or she has completed one year of service in which he or she worked at least 1,000 hours as an employee of the Company or a subsidiary or a covered affiliate; and (iii) he or she is not covered under a collective bargaining agreement or he or she is covered under a collective bargaining agreement which specifically provides for his or her participation in the Plan.

(b) Investment Option. An eligible associate regardless of whether he or she is already a shareholder of record may participate in the Plan by making optional cash investments in the manner as provided in Paragraph 6.

All shares acquired by an associate through optional cash investments will be credited to the associate's account under the Plan. Cash dividends on all shares (including fractional shares) of Common Stock held in the associate participant's account under the Plan will be automatically reinvested in additional shares of Common Stock. Fractional shares will be computed to three decimal places. Associates may not elect to have dividends reinvested on only part of the shares held in their Plan account.

(c) Enrollment. To participate in the Plan, an eligible associate should complete the Associate Authorization Form in the manner as contemplated by Paragraph 6 and return the completed Form to the Trust Company. The associate is responsible for proper

completion and timely delivery to the Trust Company of the Associate Authorization Form.

(d) Associates Who Are Shareholders of Record. An associate who is a shareholder of record and who desires to reinvest cash dividends on the shares of Common Stock held in his or her name may enroll in the Plan by executing a Shareholder Authorization Form and forwarding it to the Trust Company in the manner provided in Paragraph 4.

(e) Associate Participants Who Leave the Company. Termination of employment does not automatically terminate participation in the Plan. Dividends on shares held under the Plan for the account of an associate participant who leaves the Company or any of its subsidiaries will continue to be reinvested until the participant withdraws from the Plan. Optional cash investments may continue to be made by such participant so long as there are shares credited to his or her account under the Plan.

6. Optional Cash Investments.

(a) Investment of Optional Cash. An initial optional cash investment may be made by an eligible participant (i.e., a shareholder of record or an eligible associate) when enrolling in the Plan by sending a check or money order (payable to Firststar Trust Company) to the Trust Company with a properly completed and signed Shareholder Authorization Form (in the case of a shareholder of record) or a properly completed and signed Associate Authorization Form (in the case of an eligible associate). Once enrolled, the participant may use the designated portion of any statement of account supplied by the Trust Company to make additional optional cash investments. Optional cash investments, if made in such manner, need not be in the same amount each time.

Associate participants under the Plan may also authorize the Company to automatically deduct a fixed amount from each of their payroll checks to purchase Common Stock. To participate through payroll deductions, an associate participant must properly complete, sign and return to the Trust Company an Associate Authorization Form which specifies the amount of each payroll check which the associate participant desires to have deducted and withheld, on an after-tax basis, from each payroll check and applied toward the purchase of Common Stock under the Plan. Upon receipt of a properly completed and signed Associate Authorization Form indicating that the associate participant desires to initiate payroll deductions, the Trust Company will provide a copy of such Authorization Form to the Human Resources Department of the Company. Beginning as soon as possible after receipt of such a properly completed and signed Authorization Form, automatic deductions will be made in the specified fixed amount from each of the associate participant's subsequent payroll checks and such amounts will be forwarded promptly by the Company to the Trust Company along with appropriate directions as to the account for which such amounts should be applied to purchase Common Stock. An associate participant may change the amount of automatic payroll deduction by obtaining and properly completing and signing a new Associate Authorization Form and sending it to the Trust Company. Any such change will be effective as soon as administratively practicable after the Trust Company receives the properly completed and signed new Authorization Form. An associate participant may likewise discontinue the automatic payroll deductions by notifying the Trust Company in writing. In each case above, the Trust Company will promptly provide a copy of such change or termination to the Company. The Trust Company will continue to reinvest dividends on shares in the participant's Plan account until the participant withdraws from the Plan.

Optional cash investments received from participants or automatically deducted from associate participants' payroll will be applied by the Trust Company to the purchase of additional shares of Common Stock as of the Investment Date (as defined in Paragraph 7) following the receipt of such payments except as otherwise provided below. To be reinvested on the next Investment Date, optional cash investments must be received by the Trust Company no later than the 10th of each month (or the next succeeding business day if the 10th of the month is not a business day). Any optional cash received

thereafter but prior to the next Investment Date will be held by the Trust Company and invested on the next succeeding Investment Date. Neither the Company nor the Trust Company will pay interest on optional cash pending investment.

(b) Limitations on Amounts of Payments or Withdrawals. Each optional cash investment by a non-associate shareholder participant must be at least \$100 per investment and may not exceed \$1,500 per calendar month. Each optional cash investment by an associate participant must be at least \$10 per investment, with no maximum limitation. All amounts received by the Trust Company for investment under the Plan must be denominated in United States dollars.

(c) Return of Uninvested Cash. A participant may, without terminating participation in the Plan, obtain the return (without interest) of any uninvested optional cash upon written request received by the Trust Company at least two business days prior to the applicable Investment Date; provided that it is verified that good funds were originally received by the Trust Company.

7. Purchase of Common Stock by the Trust Company. Purchases of Common Stock under the Plan will be made on or as soon as practicable after the following applicable "Investment Dates":

(a) Each dividend payment date is an Investment Date for the reinvestment of cash dividends.

(b) The 15th day of each month (or the next closest business day if the 15th is not a business day) is an Investment Date for the investment of optional cash by a participant.

For various reasons, including the observance of the rules and regulations of the Securities and Exchange Commission or other regulatory agencies requiring temporary curtailment or suspension of purchases, the investment of all or part of the funds available in a participant's account may be delayed from time to time. No interest will be paid by the Company or the Trust Company pending investment (or return) of funds held under the Plan.

A participant's account will be credited with that number of shares of Common Stock (including any fractional shares, computed to three decimal places) equal to the total amount to be invested divided by the applicable purchase price per share.

8. Price to Participants. The price of shares of Common Stock purchased from the Company for participants will be the average (computed to four decimal places) of the high and low prices of shares of Common Stock on the New York Stock Exchange on the applicable Investment Date. If no trading occurs on the New York Stock Exchange in the Common Stock on the applicable Investment Date, the price will be determined with reference to the next preceding date on which the Common Stock was traded on the New York Stock Exchange. The price of shares of Common Stock purchased for participants on the open market or in privately negotiated transactions will be the weighted average of the prices paid for such shares on the date the shares are purchased. If shares are purchased on the open market or in privately negotiated transactions on more than one date, a weighted average of such averages will be used. In the event investment under the Plan is made both in newly-issued and previously-issued shares, the shares purchased shall be allocated proportionately among the accounts of all participants for whom funds are being invested at that time.

9. Reports to Participants. The Trust Company will maintain an account for each participant. All shares of Common Stock (including any fractional shares, computed to three decimal places) purchased for a participant under the Plan will be credited to his or her account.

Each participant in the Plan will receive a quarterly statement of his or her account from the Trust Company as soon as practicable following each dividend payment date. The Trust Company will also furnish a participant with an account statement as soon as practicable following the investment of any optional cash (other than through payroll deductions).

10. Custody of Stock and Issuance of Stock Certificates. The Trust Company will hold the shares of all participants acquired under the Plan in its name or one of its nominee's name without charge. A participant may, from time to time, make written request of the Trust Company to issue a stock certificate in his or her name for full shares. No certificates for fractional shares will be issued.

11. Costs and Expenses. All costs and expenses associated with the operation of the Plan, including service charges, will be paid by the Company. However, a participant who instructs the Trust Company to sell any Common Stock then held in the Plan for his or her account will be responsible for his or her pro rata share of applicable brokerage commissions relating to such sale, plus a \$5.00 service fee.

12. Withdrawal from Plan.

(a) Timing and Effect of Withdrawal. A participant may withdraw from the Plan at any time by notifying the Trust Company in writing. A participant will be deemed to have withdrawn from the Plan upon the Trust Company receiving notice in writing of the participant's death. Termination of participation in the Plan by a shareholder of record will immediately stop all reinvestment of the participant's dividends if the notice of withdrawal is received by the Trust Company not later than 10 business days prior to the record date for the next dividend payment. Investment of optional cash will stop immediately if notification of withdrawal from the Plan is received by the Trust Company at least two business days prior to the applicable Investment Date. The entire amount of any optional cash received for which investment has been stopped by termination of participation in the Plan will be refunded to the participant. In addition to the foregoing, the Trust Company may terminate any account by written notice to the participant and to the Company.

(b) Sale of Shares or Issuance of Certificates upon Withdrawal from Plan. Upon termination of a participant's account, the participant (or his or her personal representative or other authorized agent) may elect to receive either stock or cash for all the full shares in the participant's account. If the participant's account with the Trust Company is terminated and the participant (or his or her personal representative or other authorized agent) elects to have the participant's shares in the Plan sold, the Trust Company shall make such sale and send to the participant (or his or her personal representative or other authorized agent) the proceeds less any applicable commissions and a \$5.00 service fee. Sales requests may be accumulated by the Trust Company, but no sales transactions shall be delayed (unless otherwise required by law, the pending update of a payroll contribution or unless required to allow the Trust Company to credit the last dividend payment to the participant's account) for more than 10 business days. If funds are available, such shares may be purchased by the Trust Company for investment under the Plan at their current market value (determined in the same manner as the price of newly-issued shares is determined under Paragraph 8) as of the date of such sale to the Trust Company. If no election is made, and within a reasonable time after termination, a certificate for the shares purchased under the Plan will be issued and delivered to the participant or his or her estate for all full shares. In any event, any fractional interest in a share will be converted to cash at the market value as of the date of the sale thereof (determined in the same manner as the price of newly-issued shares is determined under Paragraph 8).

(c) Rejoining the Plan. Any eligible shareholder of record or eligible associate may rejoin the Plan at any time by completing a new Authorization Form. However, the Company in its discretion shall have the right to reject any such Form from a previous participant on grounds of excessive termination and rejoining.

13. Sale or Other Transfer of Registered Shares. If a participant disposes of all the shares of Common Stock registered in his or her name, but retains shares in the Plan, the Trust Company will continue to reinvest the cash dividends on shares in the Plan, subject to a participant's right to withdraw from the Plan at any time.

If a shareholder participant who has selected the partial

dividend reinvestment option disposes of a portion of the shares registered in his or her name, to the extent that such participant has registered in his or her name fewer shares than the number of shares designated as participating in the Plan, dividends on all shares remaining in the name of the participant will be reinvested under the Plan. If such participant subsequently acquires additional shares registered in his or her name, such additional shares shall be deemed to participate in the Plan until the number of shares equals the number of shares designated as participating in the Plan on the participant's then current Shareholder Authorization Form.

14. Voting of Shares Held Under the Plan. The Trust Company will vote at shareholders' meetings of the Company any full shares of Common Stock held for each participant's account under the Plan in accordance with the directions provided by the participant to the Trust Company. Such shares will not be voted if no directions are given by the participant. No fractional shares will be voted in any case.

15. Stock Dividends and Issuance of Rights. Any shares of Common Stock distributed pursuant to stock dividends or stock splits effected by the Company on shares held by the Trust Company for a participant will be credited to such participant's account. In the event that the Company makes available to the holders of its Common Stock subscription or other rights to purchase additional shares of Common Stock or other securities, the Trust Company will (if and when such rights trade independently) sell the rights accruing to all shares held by the Trust Company for the participants and will apply the net proceeds of such sale to the purchase of Common Stock in accordance with Paragraph 6. The Company will notify each participant in advance of any such offer. If the participant does not want the Trust Company to sell his or her rights and invest the proceeds, it will be necessary for such participant to transfer all full shares held under the Plan to his or her own name by a given date. This will permit the participant to exercise, transfer or sell the rights on such shares. In the event that rights issued by the Company are redeemed prior to the date that such rights trade independently, the Trust Company will invest the resultant funds in additional shares of Common Stock in accordance with Paragraph 6.

16. No Right to Draw Against Account. No participant shall have a right to draw checks or drafts against his or her account or to give instructions to the Trust Company with respect to any shares or cash held therein except as expressly provided herein.

17. Notice to Participants. Notices to the participants may be given by letter addressed to each participant at his or her last address of record with the Company. Each participant shall give prompt written notice to the Company of any change of address.

18. Amendment and Termination of Plan. The Company in its discretion reserves the right to suspend, modify or terminate the Plan at any time. All participants will be notified of any suspension, termination or significant modification of the Plan within a reasonable time prior to such change.

19. Duties and Responsibilities. Other than with respect to actions or inactions constituting willful misconduct, neither the Company nor the Trust Company nor its nominees shall have any responsibility for any action taken or omitted pursuant to the Plan, nor shall they have any duties, responsibilities or liabilities except as expressly set forth herein. Other than with respect to actions or inactions constituting willful misconduct, neither the Company nor the Trust Company shall be liable hereunder for any act, or for any omission to act, including without limitation, any claims of liability (a) with respect to the time or prices at which shares are purchased or sold for a participant's account, or any inability to purchase or sell shares, (b) for any fluctuation in the market value after purchase or sale of shares, (c) any administrative delay in effecting payroll deductions, (d) delays resulting from the improper completion or delivery of Authorization Forms, changes thereto or withdrawal requests, or (e) arising out of a failure to terminate a participant's account upon such participant's death prior to receipt of notice in writing of such death.

20. Governing Law. This Plan is governed by the internal laws of the State of Wisconsin.

SHAREHOLDER AUTHORIZATION FORM

THE MARCUS CORPORATION
DIVIDEND REINVESTMENT AND ASSOCIATE STOCK PURCHASE PLAN

1. Dividend Reinvestment

(Check only one box - fill in amount where appropriate)

a. Full Cash Dividend Reinvestment. I wish to reinvest under the Plan cash dividends on all shares of The Marcus Corporation Common Stock registered in my name.

b. Partial Cash Dividend Reinvestment. I wish to have cash dividends reinvested on _____ shares of The Marcus Corporation Common Stock personally held by me in certificate form and on all Plan shares held in my name. I wish to have the balance of my cash dividends mailed to me.

2. Optional Cash Investment (minimum \$100 per investment; maximum \$1,500 per month). Please buy shares of The Marcus Corporation Common Stock under the Plan with the enclosed check or money order for \$_____ payable to Firststar Trust Company.

3. Shareholder Reports. I want to receive copies of all reports and information generally sent by The Marcus Corporation to shareholders. If you do not check this box, you will not receive such reports or information with respect to the shares held for your account in the Plan other than notices of shareholder meetings, proxy statements and annual reports.

A. To the extent I have so designated, I hereby elect to participate in the Plan and authorize Firststar Trust Company, as my agent, to apply cash dividends and any optional cash investments received by it on my behalf to the purchase of shares of The Marcus Corporation Common Stock under the Plan. I have read the Prospectus for the Plan and understand there is risk in investing in The Marcus Corporation Common Stock.

Signature_____ I am a U.S. Citizen or Resident Alien
 I am a Nonresident Alien-Foreign Tax Status Applies

Signature_____

Date_____ (Please sign above exactly as name appears below.)

--
Social Security Number. (If shares are held jointly, the Social Security Number should be that of the first person listed on the stock certificate.)

-
Employer Identification Number. (To be completed if the shareholder is not an individual.)

B. Under penalties of perjury, I certify (1) that the number shown directly above is my correct Taxpayer Identification Number and (2) that I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (the "IRS") that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding.

Signature_____

Signature_____

PLEASE SIGN BOTH A & B

ASSOCIATE AUTHORIZATION FORM

THE MARCUS CORPORATION
DIVIDEND REINVESTMENT AND ASSOCIATE STOCK PURCHASE PLAN

I wish to participate in the Dividend Reinvestment and Associate Stock Purchase Plan as follows (minimum \$10 per investment):

- 1. Automatic Payroll Deduction. I want cash automatically deducted, on an after tax basis, from each of my subsequent payroll checks and used to purchase Common Stock under the Plan. If you choose the Automatic Payroll Deduction Option, you must complete and sign the other portions of this Form.
- 2. Initial Cash Investment. Please buy shares of Common Stock of The Marcus Corporation under the Plan with the enclosed check or money order for \$_____ payable to Firststar Trust Company.
- 3. Shareholder Reports. I want to receive copies of all reports and information generally sent by The Marcus Corporation to shareholders. If you do not check this box, you will not receive such reports or information with respect to the shares held for your account in the Plan, other than notices of shareholder meetings, proxy statements and annual reports.

(Please complete the reverse side)

A. To the extent I have so designated, I hereby elect to participate in the Plan and authorize Firststar Trust Company, as my agent, to apply optional cash investments and/or automatic payroll deductions received by it on my behalf to the purchase of shares of The Marcus Corporation Common Stock. I understand that all dividends received on all shares credited to my Plan account will be automatically reinvested in The Marcus Corporation Common Stock. I have read the Prospectus for the Plan and understand there is risk in investing in The Marcus Corporation Common Stock.

Signature_____ I am a U.S. Citizen or Resident Alien
 I am a Nonresident Alien - Foreign
Tax Status Applies

Date_____ (Please sign above exactly as name appears below.)

[_][_][_]-[_][_]-[_][_][_][_] Social Security Number.

B. Under penalties of perjury, I certify (1) that the number shown directly above is my correct Taxpayer Identification Number and (2) that I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (the "IRS") that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding.

Signature_____

PLEASE COMPLETE AND SIGN ALL OF A, B AND C

C. PAYMENT INSTRUCTIONS:

_____ Start deducting \$_____ (enter amount)
PER PAY PERIOD, as soon as possible

FOR USE BY FIRSTAR
TRUST COMPANY ONLY:
Shareholder

Account Number:

_____ Supplemental Cash Investment-Enclosed
please find \$_____ payable to Firststar Trust Company.

Exact Name of Employer: _____

Location of Employer: ___ Budgetel Inns ___ Corporate ___ Movie Theatres
___ Hotel/Resorts ___ Restaurants

Associate's Authorization: _____ [][][]-[][]-[][][][]
Social Security Number.

Date: _____

BE SURE TO COMPLETE AND SIGN ALL SIDES OF THIS FORM.
YOUR SIGNATURE IS REQUIRED IN A, B AND C.
MAIL TO FIRSTSTAR TRUST COMPANY, P.O. BOX 2877, MILWAUKEE, WI 53201-2077

The Marcus Corporation
Shareholder DRIP Letter

STEPHEN H. MARCUS
Chairman of the Board
Chief Executive Officer

August 30, 1996

Dear Shareholder:

We are pleased to introduce The Marcus Corporation's new Dividend Reinvestment Plan, a convenient and inexpensive way for shareholders to increase their investment in Marcus Corporation common stock. While our plan is entirely voluntary, it does represent the kind or systematic stock-purchase program used by many shareholders in achieving the long-term investment goals.

The only requirement is that you own Marcus Corporation stock in your own name. If your shares are held by your broker in "street" name, by a bank trust department or other nominee, you may request the transfer of at least one share into your own name so you can participate. You may automatically reinvest dividends on all or a portion of shares you hold in your own name.

Besides reinvesting quarterly dividends, you may purchase, entirely by mail, from \$100 to \$1,500 in additional common stock each month. There are no service charges, brokerage commissions or other costs involved with stock purchases, but you will be responsible for any fees or commissions when shares are sold. Account statements from Firststar Trust Company, administrator of the plan, should make recordkeeping simple. Cumulative statements are issued during each calendar year when there is activity in your account, including the reinvestment of dividends.

Enclosed is a plan brochure and prospectus, which we encourage you to read carefully before making a decision. To enroll, you must complete the enclosed Shareholder Authorization Form and mail it in the enclosed postage-paid envelope to Firststar Trust. If you have any questions regarding enrollment or participation, please contact Firststar Trust at (414) 276-3737 or toll-free at (800) 637-7549.

The first dividend reinvested under the plan is expected to be paid on November 15, 1996. If you wish to reinvest the November dividend, your Authorization Form must be received by Firststar Trust no later than October 23, 1996. If you wish to make an optional cash investment in November of 1996, your check or money order must arrive at Firststar Trust no later than November 11, 1996.

All of us at The Marcus Corporation are enthusiastic about this new program for shareholders. We sincerely hope the plan will help you achieve your personal investment objectives. As always, thank you for your continuing support of The Marcus Corporation.

Very truly yours,

THE MARCUS CORPORATION

Stephen H. Marcus
Chairman and Chief Executive Officer

The Marcus Corporation
Associate DRIP Letter

STEPHEN H. MARCUS
Chairman of the Board
Chief Executive Officer

August 30, 1996

Dear Fellow Associate:

I'm pleased to introduce the new Marcus Dividend Reinvestment and Associate Stock Purchase Plan, a convenient and inexpensive way to invest in the future of your company.

As I said in our annual report, the most important asset of The Marcus Corporation is our outstanding team of associates. You have helped The Marcus Corporation grow into the strong, diversified company it is today. This new plan will enable you to increase your personal interest in the company through a systematic stock-purchase program. These types of programs are used by many individuals to achieve their long-term financial goals.

The plan is convenient and economical. It allows eligible associates of The Marcus Corporation and its subsidiaries to reinvest cash dividends and/or make optional cash investments of at least \$10 through payroll deduction. The company will pay all service charges, brokerage commissions and other costs involved with purchases, but you will be responsible for fees or commissions when shares are sold. Optional payments made by participants will be invested on or as soon as possible after the 15th day of each month, beginning in November 1996. Each quarter, you will receive an easy-to-understand account statement from Firststar Trust Company, administrator of the plan.

To participate, you must be 18 years old and have completed at least one calendar year of employment and 1,000 hours of work in a calendar year with the company or a subsidiary. Employees covered by a collective bargaining agreement are not eligible to participate, unless the agreement specifically provides for participation in the plan.

Enclosed is a plan brochure and prospectus, which we encourage you to carefully read before making a decision. To enroll, you need to complete the enclosed Associate Authorization Form and mail it in the enclosed postage-paid envelope to Firststar Trust Company. To begin your payroll deduction in November, you must return your authorization form by October 25, 1996. If you have any questions regarding enrollment or participation in the plan, please contact Firststar Trust Company at (414) 276-3737 or toll-free at (800) 637-7549.

If you already own shares in The Marcus Corporation in your own name, you will also receive information describing how shareholders can participate in the plan. If you own shares only under your Pension Plus Plan, you are not a shareholder of record for the plan and will need to participate separately in the plan as an associate.

We're excited about this new plan and encourage you to carefully consider becoming a shareholder in your company. As always, thank you for your ongoing support.

Very truly yours,

Stephen H. Marcus
Chairman and Chief Executive Officer

Dear Shareholder:

In response to shareholder interest, The Marcus Corporation is pleased to offer its shareholders of record the opportunity to participate in our Dividend Reinvestment and Associate Stock Purchase Plan. The plan is intended to help you expand your stock ownership in The Marcus Corporation by allowing you to reinvest the cash dividends you receive and make supplemental cash investments in additional shares of common stock. This voluntary plan allows you to buy our shares at a lower cost than you would normally incur on your own since you won't have to pay brokerage commissions or service charges to buy shares.

There are two ways you can take advantage of the plan:

- (1) you can reinvest all or part of your common stock cash dividends in additional shares, and
- (2) you can purchase more shares with additional cash payments.

Details of the plan are explained in this brochure and prospectus. To participate in the plan, just complete and mail the enclosed shareholder authorization card.

We hope this plan will be helpful to you in achieving your investment objectives. As always, thank you for your interest and support.

Sincerely,

Stephen H. Marcus

PLAN SUMMARY

Dividend Reinvestment

This is a simple and automatic way to apply your quarterly common stock cash dividends to buy more stock. By authorizing The Marcus Corporation to pay all or part of your cash dividends to your agent, Firststar Trust Company, the Trust Company will use your dividends to buy additional shares of stock for your account. The shares purchased with your dividends will also earn future dividends for reinvestment, helping your investment compound and grow even faster.

Supplemental Cash Investments

You can also send the Trust Company a check each month (or less frequently) payable to "Firststar Trust Company" for an amount between \$100 to \$1,500 to buy additional shares of The Marcus Corporation common stock. You need not invest regularly and you may vary the amount invested each time within the prescribed dollar limits. All cash dividends earned on these shares will automatically be reinvested in additional shares of The Marcus Corporation common stock.

Plan Features

- You may reinvest all or part of your quarterly cash dividends.
- You pay no service fees or brokerage commissions on purchases.
- You can send in a check for between \$100 and \$1,500 to supplementally purchase additional shares of The Marcus Corporation common stock monthly or less frequently.
- Participation in the plan is voluntary and can be terminated at any time.
- You receive an easy-to-understand account statement from the Trust Company following each investment.
- All stock certificates are retained by the Trust Company in your

account, preventing their loss or theft.

- To obtain your stock certificates or end your participation in the plan, simply send the Trust Company a written request.
- You must own stock of record (in your own name) to participate. Your broker will transfer shares held in street or nominee name to your name upon request.
- Fees and commissions from the sale of stock are your responsibility.
- Your investment in our common stock is subject to market risk, including the risk that our stock value may go down after you buy shares. There is no guarantee of stock performance.

How to Enroll

To participate in the plan, simply complete the enclosed authorization card and mail it to:

Firststar Trust Company
Corporate Trust Department
P.O. Box 2077
Milwaukee, WI 53201-2077

For reinvestment of dividends, the form must be received at least two business days before the record date for a dividend payment. If the form is received after that time, dividend reinvestment will begin with the next quarterly cash dividend payment. Supplemental cash investments must be received by the tenth day of the month to be invested that month.

Prospectus

The Prospectus, which provides the complete terms and conditions of the plan, begins on Page 5. Please read the Prospectus carefully before deciding to participate in the plan.

For Additional Information:

Call toll free 1-800-637-7549
or in the Milwaukee area call: 276-3737

Dear Fellow Associate:

As an associate of The Marcus Corporation, you may be eligible to participate in our Dividend Reinvestment and Associate Stock Purchase Plan. This voluntary plan is intended to help you invest, if you desire, in the stock of The Marcus Corporation at a lower cost than you would normally incur on your own, as you will not have to pay brokerage commissions or service charges to buy shares.

If you are an eligible associate, there are three ways you can take advantage of the plan:

- (1) you can authorize automatic after-tax payroll deductions to be used to buy shares each month,
- (2) all your quarterly common stock cash dividends are automatically reinvested in additional shares, and
- (3) you can purchase more shares with additional cash payments.

Details are explained in this brochure and prospectus. If you are eligible to participate in the plan, just complete and mail the enclosed associate authorization card.

As always, thank you for your commitment and support.

Sincerely,

Stephen H. Marcus
Chairman and Chief Executive Officer

PLAN SUMMARY

Eligibility

You are eligible to participate in the plan if you:

- Are at least 18 years old;
- Have completed at least one year of employment with The Marcus Corporation, a subsidiary or a covered affiliate in which you worked at least 1,000 hours in a calendar year; and
- Are not covered under a collective bargaining agreement or you are covered under a collective bargaining agreement which specifically provides for your participation in the plan.

Payroll Deductions

You may authorize a fixed amount (no less than \$10) to be automatically deducted from each of your payroll checks. These deducted amounts will be used to purchase shares of our common stock each month for your account. All deductions will be made in after-tax dollars. You can change the amount or discontinue your payroll deductions at any time.

Dividend Reinvestment

This simple and automatic plan applies your quarterly common stock cash dividends to buy more stock. Dividends are automatically reinvested in additional shares of stock. The shares purchased with your dividends will also earn future dividends for reinvestment, helping your investment compound and grow even faster.

Additional Cash Investments

In addition to, or instead of, automatic payroll deductions, you can also send the Trust Company each month a check (no less than \$10) payable to "Firststar Trust Company" to buy additional shares of The Marcus Corporation

common stock. You need not invest regularly and you may vary the amount invested each time. All cash dividends earned on these shares will automatically be reinvested in additional shares of The Marcus Corporation common stock.

Plan Features

- Automatic after-tax payroll deductions can help you establish a systematic investment plan in The Marcus Corporation's common stock.
- All of your quarterly cash dividends will automatically be reinvested.
- You pay no service fees or brokerage commissions on purchases.
- You can send in a check (no less than \$10) monthly or less frequently to supplementally purchase additional shares of The Marcus Corporation common stock.
- Participation in the plan is voluntary and can be terminated at any time.
- You receive an easy-to-understand account statement from the Trust Company each quarter.
- All stock certificates are retained by the Trust Company in your account, preventing their loss or theft.
- To obtain your stock certificates or end your participation in the plan, simply send the Trust Company a written request.
- Fees and commissions from the sale of stock are your responsibility.
- Your investment in Marcus Corporation common stock is subject to market risk, including the risk that the stock value may go down after you buy shares. There is no guarantee of stock performance.

How to Enroll

To participate in the plan, simply complete the enclosed authorization card and mail it in the enclosed envelope to:

Firststar Trust Company
Corporate Trust Department
P.O. Box 2077
Milwaukee, WI 53201-2077

Prospectus

The Prospectus, which provides complete terms and conditions of the plan, begins on Page 5. Please read the Prospectus carefully before deciding to participate in the plan.

For Additional Information:

Call toll free: 1-800-637-7549
or in the Milwaukee area call: 276-3737

F O L E Y & L A R D N E R
A T T O R N E Y S A T L A W

CHICAGO
JACKSONVILLE
LOS ANGELES
MADISON
ORLANDO
SACRAMENTO

FIRSTAR CENTER
777 EAST WISCONSIN AVENUE
MILWAUKEE, WISCONSIN 53202-5367
TELEPHONE (414) 271-2400
FACSIMILE (414) 297-4900

SAN DIEGO
SAN FRANCISCO
TALLAHASSEE
TAMPA
WASHINGTON, D.C.
WEST PALM BEACH

WRITER'S DIRECT LINE

August 30, 1996

The Marcus Corporation
250 East Wisconsin Avenue
Suite 1700
Milwaukee, Wisconsin 53202

Gentlemen:

We have acted as counsel for The Marcus Corporation, a Wisconsin corporation (the "Company"), in conjunction with the preparation of a Form S-3 Registration Statement (the "Registration Statement") to be filed by the Company with the Securities and Exchange Commission under the Securities Act of 1933, as amended (the "Securities Act"), relating to 500,000 shares ("shares") of the Company's common stock, \$1 par value (the "Common Stock"), which may be issued pursuant to The Marcus Corporation Dividend Reinvestment and Associate Stock Purchase Plan ("Plan").

We have examined: (i) the Plan; (ii) the Registration Statement; (iii) the Company's Restated Articles of Incorporation and Bylaws, as amended to date; (iv) resolutions of the Company's Board of Directors relating to the Plan; and (v) such other documents and records as we have deemed necessary to enable us to render this opinion.

Based on the foregoing, we are of the opinion that:

1. The Company is a corporation validly existing under the laws of the State of Wisconsin.
2. The Shares, when issued and paid for in the manner set forth in the Plan, will be validly issued, fully paid and nonassessable and no personal liability will attach to the ownership thereof, except with respect to wage claims of employees of the Company for services performed not to exceed six (6) months service in any one case, as provided in Section 180.0622(2)(b) of the Wisconsin Business Corporation Law.

We consent to the use of this opinion as an Exhibit to the Registration Statement. In giving our consent, we do not admit that we are "experts" within the meaning of Section 11 of the Securities Act or within the category of persons whose consent is required by Section 7 of said Act.

Very truly yours,

FOLEY & LARDNER

DIVIDEND REINVESTMENT PLAN
Consent of Ernst & Young LLP, Independent Auditors

We consent to the reference to our firm under the caption "Experts" in the Registration Statement on Form S-3 pertaining to the Dividend Reinvestment and Associate Stock Purchase Plan of The Marcus Corporation and to the incorporation by reference therein of our report dated July 19, 1996 with respect to the consolidated financial statements of The Marcus Corporation included in its Annual Report (Form 10-K) for the year ended May 30, 1996, filed with the Securities and Exchange Commission.

ERNST & YOUNG LLP

Milwaukee, Wisconsin
August 26, 1996