Table of Contents

As filed with the Securities and Exchange Commission on February 1, 2007

Registration No. 333-

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form S-1

REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

Cinemark Holdings, Inc.

(Exact Name of Registrant as Specified in Its Charter)

Delaware	7832	20-5490327
(State or Other Jurisdiction of Incorporation or Organization)	*(Primary Standard Industrial Classification Code Number)*	*(I.R.S. Employer Identification Number)*

3900 Dallas Parkway, Suite 500
Plano, Texas 75093
(972) 665-1000
(Address, Including Zip Code, and Telephone Number, Including Area Code, of Registrant's Principal Executive Offices)

Michael Cavalier
Senior Vice President-General Counsel
3900 Dallas Parkway, Suite 500
Plano, Texas 75093
(972) 665-1000
(Name, Address, Including Zip Code, and Telephone Number, Including Area Code, of Agent for Service)

With a copy to:

Terry M. Schpok, P.C.
Akin Gump Strauss Hauer & Feld LLP
1700 Pacific Avenue, Suite 4100
Dallas, Texas 75201
Telephone: (214) 969-2800

D. Rhett Brandon, Esq.
Simpson Thacher & Bartlett LLP
425 Lexington Avenue
New York, New York 10017
Telephone: (212) 455-3615

Approximate date of commencement of proposed sale to the public: As soon as practicable after the effective date of this Registration Statement.

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, check the following box. ☐

If this form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐ ______

If this form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐ ______

If this form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐ ______

CALCULATION OF REGISTRATION FEE

Title of Shares to be Registered	Proposed Maximum Aggregate Offering Price (1) (2)	Amount of Registration Fee (3)
Common Stock, par value $0.001 per share	$400,000,000	$42,800

(1) Includes shares that may be issued and sold if the underwriter exercises its option to purchase additional shares.

(2) Estimated solely for purposes of calculating the amount of the registration fee in accordance with Rule 457(o) under the Securities Act.

(3) Calculated based upon the estimate of the proposed maximum aggregate offering price.

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, as amended, or until the Registration Statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.

The information in this preliminary prospectus is not complete and may be changed. Neither we nor the selling stockholders may sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This preliminary prospectus is not an offer to sell and is not soliciting an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

Subject to Completion, dated February 1, 2007

PROSPECTUS

Shares

Cinemark Holdings, Inc.

Common Stock

We are offering shares of our common stock in this initial public offering. The selling stockholders named in this prospectus are offering an additional shares of our common stock. We will not receive any proceeds from the sale of shares by the selling stockholders.

No public market currently exists for our common stock. We intend to apply to list our common stock on the New York Stock Exchange under the symbol “CNK.” We currently expect that the initial public offering price will be between $ and $ per share.

Investing in our common stock involves risks. See “Risk Factors” beginning on page 12.

	Per Share	Total
Public offering price	$	$
Underwriting discount	$	$
Proceeds to Cinemark Holdings, Inc. (before expenses)	$	$
Proceeds to the Selling Stockholders (before expenses)	$	$

The selling stockholders have granted the underwriter a 30-day option to purchase up to an additional shares of our common stock on the same terms and conditions as set forth above if the underwriter sells more than shares of our common stock in this offering.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

Lehman Brothers expects to deliver the shares on or about , 2007.

Lehman Brothers

, 2007

TABLE OF CONTENTS

You should rely only on the information contained in this prospectus. We have not, and the underwriter has not, authorized anyone to provide you with information that is different. This prospectus may only be used where it is legal to sell these securities. The information contained in this prospectus is accurate only as of the date of this prospectus, regardless of the time of delivery of this prospectus or of any sale of our common stock. Our business, financial condition, results of operations and prospects may have changed since that date.

Dealer Prospectus Delivery Obligation

Until , 2007 (25 days after the commencement of this offering), all dealers that effect transactions in these securities, whether or not participating in this offering, may be required to deliver a prospectus. This is in addition to the dealers' obligation to deliver a prospectus when acting as underwriters and with respect to their unsold allotments or subscriptions.

Market Information

Information regarding market share, market position and industry data pertaining to our business contained in this prospectus consists of estimates based on data and reports compiled by industry professional organizations (including the Motion Picture Association of America, or MPAA, PricewaterhouseCoopers LLP, or PwC, MPA Worldwide Market Research, the National Association of Theatre Owners, or NATO, and BIA Financial Network, Inc., or BIA*fn*), industry analysts and our knowledge of our business and markets.

We take responsibility for compiling and extracting, but have not independently verified, market and industry data provided by third parties, or by industry or general publications, and take no further responsibility for such data. Similarly, while we believe our internal estimates with respect to our industry are reliable, our estimates have not been verified by any independent sources, and we cannot assure you as to their accuracy.

Designated Market Area®, or DMA®, is a registered trademark of Nielsen Media Research, Inc.

About Us

Financial Presentation

Cinemark Holdings, Inc. was formed on August 2, 2006. On August 7, 2006, the Cinemark, Inc. stockholders entered into a share exchange agreement pursuant to which they agreed to exchange their shares of Class A common stock for an equal number of shares of common stock of Cinemark Holdings, Inc., hereinafter referred to as the Cinemark Share Exchange. The Cinemark Share Exchange and the acquisition of Century Theatres, Inc., or Century, were completed on October 5, 2006. Prior to October 5, 2006, Cinemark Holdings, Inc. had no assets, liabilities or operations. On October 5, 2006, Cinemark, Inc. became a wholly owned subsidiary of Cinemark Holdings, Inc.

On April 2, 2004, an affiliate of Madison Dearborn Partners, LLC, or MDP, acquired approximately 83% of the capital stock of Cinemark, Inc., pursuant to which a newly formed subsidiary owned by an affiliate of MDP was merged into Cinemark, Inc. with Cinemark, Inc. continuing as the surviving corporation, hereinafter referred to as the MDP Merger. Management, including Lee Roy Mitchell, Chairman and then Chief Executive Officer, retained at such time an approximately 17% ownership interest in Cinemark, Inc.

For purposes of the financial presentation in this prospectus, the historical financial information has been prepared in contemplation of this initial public offering and reflects the change in reporting entity that occurred as a result of the Cinemark Share Exchange. Cinemark Holdings, Inc.'s consolidated financial information reflects the historical accounting basis of its stockholders for all periods presented. Accordingly, financial information for periods preceding the MDP Merger is presented as Predecessor and for the periods subsequent to the MDP Merger is presented as Successor. The Century acquisition is not reflected in the historical financial information of Cinemark, Inc. or Cinemark Holdings, Inc. since the transaction occurred subsequent to September 30, 2006. Because of the significance of the Century acquisition, we have included in this prospectus historical financial statements for Century as well as pro forma financial information giving effect to the Century acquisition as more fully described in "Unaudited Pro Forma Condensed Consolidated Financial Information."

Certain Definitions

Unless the context otherwise requires, all references to "we," "our," "us," the "issuer" or "Cinemark" relate to Cinemark Holdings, Inc. or Cinemark, Inc., its predecessor, and its consolidated subsidiaries, including Cinemark USA, Inc. and Century. We use the term "pro forma" in this prospectus to refer to information presented after giving effect to the Century acquisition. Unless otherwise specified, all operating and other statistical data for the U.S. include one theatre in Canada. All references to Latin America are to Argentina, Brazil, Chile, Colombia, Costa Rica, Ecuador, El Salvador, Honduras, Mexico, Nicaragua, Panama and Peru. Unless otherwise specified, all operating and other statistical data are as of and for periods ended September 30, 2006 except for data relating to Century, which are as of and for the periods ended September 28, 2006, the end of its fiscal year.

Non-GAAP Financial Measures

Accounting principles generally accepted in the United States are commonly referred to as "GAAP." A non-GAAP financial measure is generally defined by the Securities and Exchange Commission, or SEC, as one that purports to measure financial performance, financial position or cash flows, but excludes or includes amounts that would not be so adjusted in the most comparable GAAP measure. In this prospectus, we present Adjusted EBITDA and Adjusted EBITDA margin, both non-GAAP financial measures, because these measures provide our Board of Directors, management and investors with additional information to measure our performance, estimate our value and evaluate our ability to service debt. Management uses Adjusted EBITDA and Adjusted EBITDA margin as a performance measure for internal monitoring and planning, including preparation of annual budgets, analyzing investment decisions and evaluating profitability and performance comparisons between us and our competitors. We also use these measures to calculate amounts of performance based compensation under employment contracts and incentive bonus programs. Adjusted EBITDA and Adjusted EBITDA margin should not be construed as alternatives to net income or operating income as indicators of operating performance or as alternatives to cash flow from operations as measures of liquidity (as determined in accordance with GAAP). Our definitions and reconciliations of these non-GAAP financial measures to the most directly comparable GAAP financial measures can be found at "Prospectus Summary — Non-GAAP Financial Measures and Reconciliations."

PROSPECTUS SUMMARY

The following summary highlights information contained elsewhere in this prospectus. It is not complete and does not contain all of the information that you should consider before investing in our common stock. You should read the entire prospectus carefully, especially the risks of investing in our common stock discussed under "Risk Factors" and the financial statements and accompanying notes.

Cinemark Holdings, Inc.

Our Company

We are a leader in the motion picture exhibition industry with 392 theatres and 4,430 screens in the U.S. and Latin America. Our circuit is the third largest in the U.S. with 279 theatres and 3,485 screens in 37 states. We are the most geographically diverse circuit in Latin America with 113 theatres and 945 screens in 12 countries. During the twelve months ended September 30, 2006, over 219 million patrons attended our theatres. Our modern theatre circuit features stadium seating for approximately 73% of our screens.

We apply a disciplined growth strategy, selectively building or acquiring new theatres in markets where we can establish and maintain a strong market position. Our portfolio of modern theatres provides a superior movie-going experience to patrons, contributing to our consistent cash flows and high operating margins. Our significant presence in the U.S. and Latin America has made us an important distribution channel for movie studios, particularly as they look to increase revenues generated in Latin America. Our market leadership and track record of strong financial performance is attributable in large part to our senior executives, who average approximately 33 years of industry experience and have successfully navigated us through multiple business cycles.

We grew our total revenue per patron at the highest compound annual growth rate, or CAGR, during the last two fiscal years among the three largest motion picture exhibitors in the U.S. On a pro-forma basis for the Century acquisition, revenues, operating income and Adjusted EBITDA for the nine months ended September 30, 2006 were $1,213.8 million, $145.7 million and $267.5 million, respectively, with pro forma operating income and Adjusted EBITDA margins of 12.0% and 22.0%, respectively. For the year ended December 31, 2005, our pro forma revenues, operating income and Adjusted EBITDA were $1,514.4 million, $118.4 million and $323.8 million, respectively, with pro forma operating income and Adjusted EBITDA margins of 7.8% and 21.4%, respectively. We expect to continue to improve our margins as we integrate Century and realize the full benefit of the combination.

Acquisition of Century Theatres, Inc.

On October 5, 2006, we completed the acquisition of Century, a national theatre chain headquartered in San Rafael, California with 77 theatres and 1,017 screens in 12 states, for a purchase price of approximately $681 million and the assumption of approximately $360 million of Century debt. The acquisition of Century combines two family founded companies with common operating philosophies and cultures, strong operating performances and complementary geographic footprints. The key strategic benefits of the acquisition include:

High Quality Theatres with Strong Operating Performance. Century's theatre circuit is among the most modern in the U.S. with 77% of their screens featuring stadium seating. Century has achieved strong performance with revenues of $516.0 million, operating income of $59.9 million, Adjusted EBITDA of $120.8 million and Adjusted EBITDA margin of 23.4% for its fiscal year ended September 28, 2006. These results are due in part to Century's operating philosophy which is similar to Cinemark's.

Strengthens Our Geographic Footprint. The Century acquisition enhances our geographic diversity, strengthens our presence in key large- and medium-sized metropolitan and suburban markets such as Las Vegas, the San Francisco Bay Area and Tucson, and complements our existing footprint. The increased number of theatres and markets diversifies our revenues and broadens the composition of our overall portfolio.

Leading Share in Attractive Markets. With the Century acquisition, we have a leading market share in a large number of attractive metropolitan and suburban markets. For the nine months ended September 30, 2006, on a pro forma basis, we ranked either first or second by box office revenues in 27 out of our top 30 U.S. markets, including Chicago, Dallas, Houston, Las Vegas, Salt Lake City and the San Francisco Bay Area.

Participation in National CineMedia

On July 15, 2005, we joined National CineMedia, LLC, or NCM, as a founding member along with Regal Entertainment, Inc. and AMC Entertainment, Inc. NCM, which operates the largest digital in-theatre network in the U.S., combines the cinema advertising and non-film events businesses of the three largest motion picture companies in the country. As part of the transaction, we entered into an Exhibitor Services Agreement with NCM, pursuant to which NCM provides advertising, promotion and event services to our theatres. We own approximately 25% of NCM based on operating data as of October 26, 2006, which includes Century. NCM reported revenues of $145.2 million for the nine months ended September 28, 2006, which is derived principally from the following activities:

- ***Advertising:*** NCM develops, produces, sells and distributes a branded, pre-feature entertainment and advertising program called "*FirstLook*," along with an advertising program for its lobby entertainment network, or LEN, and various marketing and promotional products in theatre lobbies;
- ***CineMeetings:*** NCM provides live and pre-recorded networked and single-site meetings and events in the theatres throughout its network; and
- ***Digital Programming Events:*** NCM distributes live and pre-recorded concerts, sporting events and other entertainment programming to theatres across its digital network.

We believe that the reach, scope and digital delivery capability of NCM's network provides an effective platform for national, regional and local advertisers to reach a young, affluent and engaged audience on a highly targeted and measurable basis. NCM's network is currently located in 45 states and the District of Columbia and covers all of the top 25 DMAs®, 49 of the top 50 DMAs®, and 149 DMAs® in total. As of September 28, 2006, NCM had a total of 12,973 screens in its network, excluding Loews Cineplex Entertainment Corporation and Century. During 2005, over 500 million patrons, representing 36% of the total U.S. theatre attendance, attended movies shown in theatres owned by its founding members.

On October 12, 2006, National CineMedia, Inc., or NCM, Inc., a newly formed entity that will serve as the sole manager of NCM, filed a registration statement for a proposed initial public offering with the SEC. NCM, Inc. intends to distribute the net proceeds from the proposed initial public offering to its founding members, in connection with modifying payment obligations for network access. There can be no guarantee that NCM, Inc. will complete the proposed initial public offering or that we will receive any proceeds.

Competitive Strengths

We believe the following strengths allow us to compete effectively.

Track Record of Strong Financial Performance and Discipline. We have generated an Adjusted EBITDA margin averaging 21.7% over the last three fiscal years. Our proven track record of strong performance is a result of our financial discipline, such as negotiating favorable theatre level economics and controlling theatre operating costs. As we continue to integrate Century into our operations, we believe we will be able to generate additional revenues and cost efficiencies to further improve our margins.

Leading Position in Our U.S. Markets. We have a leading share in the U.S. metropolitan and suburban markets we serve. For the nine months ended September 30, 2006, on a pro forma basis we ranked either first or second based on box office revenues in 27 out of our top 30 U.S. markets, including Chicago, Dallas, Houston, Las Vegas, Salt Lake City and the San Francisco Bay Area. On average, the population in over 80% of our domestic markets, including Dallas, Las Vegas and Phoenix, is expected to grow 60% faster than the average growth rate of the U.S. population over the next five years.

Strategically Located in Heavily Populated Latin American Markets. Since 1993, we have invested throughout Latin America due to the growth potential of the region. We operate 113 theatres and 945 screens in 12 countries, generating revenues of $222.8 million for the nine months ended September 30, 2006. We have successfully established a significant presence in major cities in the region, with theatres in twelve of the fifteen largest metropolitan areas. With the most geographically diverse circuit in Latin America, we are an important distribution channel to the movie studios. The region's improved economic climate and rising disposable income are also a source for growth. Over the last three years, the CAGR of our international revenue has been greater than that of our U.S. operations. We are well-positioned with our modern, large-format theatres and new screens to take advantage of this favorable economic environment for further growth and diversification of our revenues.

Modern Theatre Circuit. We have one of the most modern theatre circuits in the industry which we believe makes our theatres a preferred destination for moviegoers in our markets. We feature stadium seating in 78% of our first run auditoriums, the highest percentage among the three largest U.S. exhibitors, and 80% of our international screens also feature stadium seating. During 2006, we continued our organic expansion by building 210 screens. We currently have commitments to build 334 additional screens over the next three years.

Strong Balance Sheet with Consistent Cash Flow Generation. We generate consistent cash flow as a result of several factors, including management's ability to contain costs, predictable revenues and a geographically diverse, modern theatre circuit requiring limited maintenance capital expenditures. Additionally, a strategic advantage, which enhances our cash flows, is our ownership of land and buildings. We own 44 properties with an aggregate value in excess of $350 million. For the nine months ended September 30, 2006, on a pro forma basis adjusted to give effect to this offering at an assumed initial public offering price of $ per share (the midpoint of the price range set forth on the cover page of this prospectus), we expect our leverage to be net debt to annualized Adjusted EBITDA. We believe our expected level of cash flow generation will provide us with the strategic and financial flexibility to pursue growth opportunities, support our debt payments and make dividend payments to our stockholders.

Strong Management with Focused Operating Philosophy. Led by Chairman and founder Lee Roy Mitchell, Chief Executive Officer Alan Stock, President and Chief Operating Officer Timothy Warner and Chief Financial Officer Robert Copple, our management team has an average of approximately 33 years of theatre operating experience executing a focused strategy which has led to strong operating results. Our operating philosophy has centered on providing a superior viewing experience and selecting less competitive markets or clustering in strategic metropolitan and suburban markets in order to generate a high return on invested capital. This focused strategy includes rigorous site selection, building appropriately-sized theatres for each of our markets, and managing our properties to maximize profitability. As a result, we grew our admissions and concessions revenues per patron at the highest CAGR during the last two fiscal years among the three largest motion picture exhibitors in the U.S.

Our Strategy

We believe our operating philosophy and superior execution will enable us to continue to enhance our leading position in the motion picture exhibition industry, consistently delivering value to our stockholders. Key components of our strategy include:

Establish and Maintain Leading Market Positions. We will continue to seek growth opportunities by building or acquiring modern theatres that meet our strategic, financial and demographic criteria. We will continue to focus on establishing and maintaining a leading position in the markets we serve.

Maximize Profitability and Shareholder Value with Continued Focus on Operational Excellence. We will continue to focus on achieving operational excellence by controlling theatre operating costs. Our operating efficiency is evident in our track record of high margins, which enhances our ability to deliver value to our stockholders.

Selectively Build in Profitable, Strategic Latin American Markets. Our international expansion will continue to focus primarily on Latin America through construction of American-style, state-of-the-art theatres in major urban markets.

Our Industry

The U.S. motion picture exhibition industry has a demonstrated track record of consistent, long-term growth, with box office revenues growing at a CAGR of 5.4% over the last 35 years. Despite historical economic cycles, attendance has grown at a 1.2% CAGR over the same period. The industry has maintained momentum with strong performance in 2006. For the nine months ended September 30, 2006, U.S. box office revenues were up 6.3% and attendance was up 4.3% over the same period in 2005. We believe this trend will continue into 2007 with a strong slate of franchise films, such as *Pirates of the Caribbean: At World's End*, *Spider-Man 3*, *Shrek the Third* and *Harry Potter and the Order of the Phoenix.*

International growth has also been strong. According to PwC, global box office revenues grew steadily at a CAGR of 2.5% from 2001 to 2005 as a result of the increasing acceptance of moviegoing as a popular form of entertainment throughout the world, ticket price increases and new theatre construction. Latin America has been one of the fastest growing regions in the world, with box office revenues growing at a CAGR of 12.6% from 2001 to 2005.

Drivers of Continued Industry Success

We believe the following market trends will drive the continued growth and strength of our industry:

Importance of Theatrical Success in Establishing Movie Brands and Subsequent Markets. Theatrical exhibition is the primary distribution channel for new motion picture releases. A successful theatrical release which "brands" a film is one of the major factors in determining its success in "downstream" distribution channels, such as home video, DVD, and network, syndicated and pay-per-view television.

***Increased Importance of International Markets for Box Office Success**.* International markets are becoming an increasingly important component of the overall box office revenues generated by Hollywood films, accounting for $14 billion, or 61% of 2005 total worldwide box office revenues according to MPAA. In 2006, the international markets continued to have a majority share of worldwide box office revenues, representing over 60% of the total box office revenues for many blockbusters, including *Pirates of the Carribbean: Dead Man's Chest, The Da Vinci Code, Ice Age: The Meltdown,* and *Mission Impossible III.* With continued growth of the international motion picture exhibition industry, we believe the relative contribution of markets outside North America will become even more significant.

Increased Investment in Production and Marketing of Films by Distributors**.** As a result of the additional revenues generated by domestic, international and downstream markets, studios have increased production and marketing expenditures per new film at a CAGR of 5.1% and 7.4%, respectively, over the past ten years. This has led to an increase in "blockbuster" features, which attract larger audiences to theatres.

Stable Long-term Attendance Trends. We believe that long-term trends in motion picture attendance in the U.S. will continue to benefit the industry. Despite historical economic cycles, attendance has grown at a 1.2% CAGR since 1970 to 1.4 billion patrons in 2005. Additionally, younger moviegoers in the U.S. continue to be the most frequent patrons. According to MPA Worldwide Market Research, 12-to-20-year-olds represented 28% of attendance at the beginning of 2005, but only 15% of the population.

Reduced Seasonality of Revenues. Box office revenues have historically been highly seasonal, with a majority of blockbusters being released during the summer and year-end holiday season. In recent years, the seasonality of motion picture exhibition has become less pronounced as studios have begun to release films more evenly throughout the year. This benefits exhibitors by allowing more effective allocation of the fixed cost base throughout the year.

Convenient and Affordable Form of Out-Of-Home Entertainment. Moviegoing continues to be one of the most convenient and affordable forms of out-of-home entertainment, with an average ticket price in the U.S. of $6.41 in 2005. Average prices in 2005 for other forms of out-of-home entertainment in the U.S., including sporting events and theme parks, range from approximately $21.00 to $57.50 per ticket according to MPA Worldwide Market Research. Movie ticket prices have risen at approximately the rate of inflation, while ticket prices for other forms of out-of-home entertainment have increased at higher rates.

Risk Factors

Investing in our common stock involves risk. Our business is subject to a number of risks including the following:

- our dependency on motion picture production and performance could have a material adverse effect on our business;
- a deterioration in relationships with film distributors could adversely affect our ability to license commercially successful films at reasonable rental rates;
- we may not be able to successfully execute our business strategy because of the competitive nature of our industry as well as competition from alternative forms of entertainment;
- our substantial lease and debt obligations could impair our liquidity and financial condition; and
- we may not be able to identify suitable locations for expansion or generate additional revenue opportunities.

You should refer to the section entitled "Risk Factors," for a discussion of these and other risks, before investing in our common stock.

Madison Dearborn Partners

MDP is a leading private equity firm based in Chicago, Illinois. MDP has more than $14 billion of capital committed to its funds. MDP focuses on investments in several specific industry sectors, including basic industries, communications, consumer, financial services and health care. MDP's objective is to invest in companies with strong competitive characteristics that it believes have the potential for significant long-term equity appreciation. To achieve this objective, MDP seeks to partner with outstanding management teams who have a solid understanding of their businesses and track records of building shareholder value. Prior to this offering, MDP beneficially owned approximately 66% of our outstanding common stock. Upon completion of the offering, MDP will beneficially own approximately % of our common stock (approximately % of our common stock if the underwriter's option to purchase additional shares is exercised in full). After the offering, pursuant to a stockholders agreement, MDP will continue to have the right to designate a majority of our Board of Directors.

Corporate Information

We are incorporated under the laws of the state of Delaware. Our principal executive offices are located at 3900 Dallas Parkway, Suite 500, Plano, Texas 75093. The telephone number of our principal executive offices is (972) 665-1000. We maintain a website at *www.cinemark.com*, on which we will, after completion of this offering, post our key corporate governance documents, including our board committee charters and our code of ethics. We do not incorporate the information on our website into this prospectus and you should not consider any information on, or that can be accessed through, our website as part of this prospectus.

The Offering

Common stock offered by us	shares
Common stock offered by the selling stockholders	shares
Common stock to be outstanding after the offering	shares
Underwriter's option	The selling stockholders have granted the underwriter a 30-day option to purchase up to an aggregate of additional shares of our common stock if the underwriter sells more than shares in this offering.
Dividend policy	Following this offering, we intend to pay a quarterly cash dividend at an annual rate initially equal to $ per share (or a quarterly rate initially equal to $ per share) of common stock, commencing in the quarter of 2007, which will be a partial dividend paid on a pro rata basis depending on the closing date for this offering. The declaration of future dividends on our common stock will be at the discretion of our Board of Directors and will depend upon many factors, including our results of operations, financial condition, earnings, capital requirements, limitations in our debt agreements and legal requirements. See "Dividend Policy."
Use of proceeds	We expect to use the net proceeds that we receive from this offering to repay outstanding debt and for working capital and other general corporate purposes. See "Use of Proceeds." We will not receive any proceeds from the sale of shares by the selling stockholders.
Proposed New York Stock Exchange symbol	"CNK"

The outstanding share information is based on shares of our common stock that will be outstanding immediately prior to the consummation of this offering. Unless otherwise indicated, information contained in this prospectus regarding the number of outstanding shares of our common stock does not include the following:

- shares of our common stock issuable upon the exercise of outstanding stock options, which have a weighted average exercise price of $ per share; and
- an aggregate of shares of our common stock reserved for future issuance under our 2006 Long Term Incentive Plan.

Unless otherwise indicated, all information contained in this prospectus:

- assumes no exercise of the underwriter's option to purchase up to an aggregate of additional shares of our common stock; and
- assumes an initial public offering price of $ per share, the midpoint of the price range set forth on the cover page of this prospectus.

Summary Consolidated Financial and Operating Information

The following table provides our summary historical consolidated financial and operating information, unaudited interim consolidated financial information and unaudited pro forma condensed consolidated financial information. The summary information for periods through April 1, 2004 are of Cinemark, Inc., the predecessor, and the summary information for all subsequent periods are of Cinemark Holdings, Inc., the successor. Our summary historical financial information for the year ended December 31, 2003, the period January 1, 2004 to April 1, 2004, the period April 2, 2004 to December 31, 2004 and the year ended December 31, 2005 is derived from our audited annual consolidated financial statements appearing elsewhere in this prospectus. Our unaudited interim financial information for the nine months ended September 30, 2005 and 2006 are derived from our unaudited interim consolidated financial statements appearing elsewhere in this prospectus. In the opinion of management, the unaudited interim financial information contains all adjustments necessary for a fair presentation of this information. The unaudited interim financial information for the nine months ended September 30, 2006 is not necessarily indicative of the results expected for the full year.

Our unaudited pro forma statement of operations information and other financial information for the year ended December 31, 2005 and for the nine months ended September 30, 2006 give effect to the Century acquisition as if it had been consummated on January 1, 2005. Our unaudited pro forma balance sheet data as of September 30, 2006 gives effect to the Century acquisition as if it had been consummated on September 30, 2006.

The unaudited pro forma condensed consolidated financial information does not purport to represent what our results of operations or financial condition would have been had the transactions noted above actually occurred on the dates specified, nor does it purport to project our results of operations or financial condition for any future period or as of any future date. The unaudited pro forma condensed consolidated financial information is not comparable to our historical financial information due to the inclusion of the effects of the Century acquisition.

You should read the information set forth below in conjunction with “Management’s Discussion and Analysis of Financial Condition and Results of Operations,’’ “Unaudited Pro Forma Condensed Consolidated Financial Information” and the consolidated financial statements and related notes thereto appearing elsewhere in this prospectus.

	Cinemark, Inc. Predecessor		Cinemark Holdings, Inc. Successor					
							Pro Forma	
	Year Ended December 31, 2003	January 1, 2004 to April 1, 2004	April 2, 2004 to December 31, 2004	Year Ended December 31, 2005	Nine Months Ended September 30, 2005	Nine Months Ended September 30, 2006	Year Ended December 31, 2005	Nine Months Ended September 30, 2006
	(Dollars in thousand, except per share data)							
Statement of Operations Data(1):								
Revenues:								
Admissions	$ 597,548	$ 149,134	$ 497,865	$ 641,240	$ 470,535	$ 514,183	$ 982,699	$ 779,085
Concession	300,568	72,480	249,141	320,072	234,564	260,223	457,190	369,864
Other	52,756	12,011	43,611	59,285	41,909	54,683	74,559	64,844
Total Revenue	$ 950,872	$ 233,625	$ 790,617	$ 1,020,597	$ 747,008	$ 829,089	$ 1,514,448	$ 1,213,793
Operating Income	135,563	556	73,620	63,501	78,838	98,187	118,440	145,745
Income (loss) from continuing operations	47,389	(9,068)	(7,842)	(25,408)	12,578	21,170	(39,762)	16,759
Net income (loss)	$ 44,649	$ (10,633)	$ (3,687)	$ (25,408)	$ 12,578	$ 21,170	$ (39,762)	$ 16,759
Net income (loss) per share:								
Basic	$ 1.10	$ (0.26)	$ (0.13)	$ (0.91)	$ 0.45	$ 0.76	$ (1.28)	$ 0.54
Diluted	$ 1.09	$ (0.26)	$ (0.13)	$ (0.91)	$ 0.45	$ 0.74	$ (1.28)	$ 0.53
Weighted average shares outstanding:								
Basic	40,516	40,614	27,675	27,784	27,746	27,896	31,172	31,285
Diluted	40,795	40,614	27,675	27,784	27,746	28,453	31,172	31,841

	Cinemark, Inc. Predecessor		Cinemark Holdings, Inc. Successor				Pro Forma	
	Year Ended December 31, 2003	January 1, 2004 to April 1, 2004	April 2, 2004 to December 31, 2004	Year Ended December 31, 2005	Nine Months Ended September 30, 2005	Nine Months Ended September 30, 2006	Year Ended December 31, 2005	Nine Months Ended September 30, 2006
				(Dollars in thousands)				
Other Financial Data:								
Cash flow provided by (used for):								
Operating activities	$ 135,522	$ 10,100	$ 112,986	$ 165,270	$ 84,070	$ 80,425		
Investing activities	(47,151)	(16,210)	(100,737)	(81,617)	(53,455)	(76,395)		
Financing activities	(45,738)	346,983	(361,426)	(3,750)	(1,477)	(44,293)		
Capital expenditures	51,002	17,850	63,158	75,605	47,676	77,902		
Non-GAAP Data(1)**:**								
Adjusted EBITDA(2)	$ 210,122	$ 50,608	$ 178,632	$ 210,135	$ 152,127	$ 180,285	$ 323,750	$ 267,535
Adjusted EBITDA margin(2)	22.1%	21.7%	22.6%	20.6%	20.4%	21.7%	21.4%	22.0%

	Cinemark, Inc. Predecessor	Cinemark Holdings, Inc. Successor			
	As of December 31, 2003	As of December 31, 2004	As of December 31, 2005	As of September 30, 2006	Pro Forma As of September 30, 2006
			(In thousands)		
Balance Sheet Data:					
Cash and cash equivalents	$ 107,322	$ 100,248	$ 182,199	$ 142,204	$ 78,594
Theatre properties and equipment, net	775,880	794,723	803,269	806,393	1,411,347
Total assets	960,736	1,831,855	1,864,852	1,830,803	3,152,165
Total long-term debt and capital lease obligations, including current portion	658,431	1,026,055	1,055,095	1,038,926	2,022,092
Stockholders’ equity	76,946	533,200	519,349	546,680	690,535

	Cinemark Inc. Predecessor		Cinemark Holdings, Inc. Successor				Cinemark and Century Combined	
	As of and for the Year Ended December 31, 2003	January 1, 2004 to April 1, 2004	April 2, 2004 to December 31, 2004	As of and for the Year Ended December 31, 2005	As of and for Nine Months Ended September 30, 2005	2006	Year Ended December 31, 2005	Nine Months Ended September 30, 2006
				(Attendance in thousands)				
Operating Data:								
United States(3)(4)								
Theatres operated (at period end)	189	191	191	200	197	202	276	279
Screens operated (at period end)	2,244	2,262	2,303	2,417	2,369	2,468	3,412	3,485
Total attendance(1)	112,581	25,790	87,856	105,573	78,257	81,558	152,093	117,506
International(5)								
Theatres operated (at period end)	97	95	101	108	106	113	108	113
Screens operated (at period end)	852	835	869	912	898	945	912	945
Total attendance(1)	60,553	15,791	49,904	60,104	45,270	46,930	60,104	46,930
Worldwide(3)(4)(5)								
Theatres operated (at period end)	286	286	292	308	303	315	384	392
Screens operated (at period end)	3,096	3,097	3,172	3,329	3,267	3,413	4,324	4,430
Total attendance(1)	173,134	41,581	137,760	165,677	123,527	128,488	212,197	164,436

(1) Statement of Operations Data (other than net income (loss)), non-GAAP Data and attendance data exclude the results of the two United Kingdom theatres and the eleven Interstate theatres for all periods presented as these theatres were sold during the period from April 2, 2004 through December 31, 2004. The results of operations for these theatres in the 2003 and 2004 periods are presented as discontinued operations. See note 6 to our annual consolidated financial statements.

(2) We set forth our definitions of Adjusted EBITDA and Adjusted EBITDA margin and a reconciliation of net income (loss) to Adjusted EBITDA at "— Non-GAAP Financial Measures and Reconciliations."

(3) The data excludes certain theatres operated by us in the U.S. pursuant to management agreements that are not part of our consolidated operations.

(4) The data for 2003 excludes theatres, screens and attendance for eight theatres and 46 screens acquired on December 31, 2003, as the results of operations for these theatres are not included in our 2003 consolidated results of operations.

(5) The data excludes certain theatres operated internationally through our affiliates that are not part of our consolidated operations.

Non-GAAP Financial Measures and Reconciliations

Adjusted EBITDA as presented in the table above is equal to net income (loss), the most directly comparable GAAP financial measure, plus income taxes, interest expense, other (income) expense, cumulative effect of a change in accounting principle, net of taxes, (income) loss from discontinued operations, net of taxes, depreciation and amortization, amortization of net favorable leases, amortization of tenant allowances, impairment of long-lived assets, (gain) loss on sale of assets and other, changes in deferred lease expense, stock option compensation and change of control expenses related to the MDP Merger and amortized compensation related to stock options. Adjusted EBITDA margin is equal to Adjusted EBITDA divided by revenues.

Adjusted EBITDA and Adjusted EBITDA margin are non-GAAP financial measures commonly used in our industry. We have included Adjusted EBITDA and Adjusted EBITDA margin because these measures provide our Board of Directors, management and investors with additional information to measure our performance, estimate our value and evaluate our ability to service debt. Management uses Adjusted EBITDA and Adjusted EBITDA margin as a performance measure for internal monitoring and planning, including preparation of annual budgets, analyzing investment decisions and evaluating profitability and performance comparisons between us and our competitors. In addition, we use these measures to calculate the amount of performance based compensation under employment contracts and incentive bonus programs.

Adjusted EBITDA and Adjusted EBITDA margin should not be construed as alternatives to net income or operating income as indicators of operating performance or as alternatives to cash flow provided by operating activities as measures of liquidity (as determined in accordance with GAAP). Furthermore, Adjusted EBITDA may not be comparable to similarly titled measures reported by other companies.

The following table sets forth the reconciliation of our net income (loss) to Adjusted EBITDA:

	Cinemark Inc. Predecessor		Cinemark Holdings, Inc. Successor					
							Pro Forma	
	Year Ended December 31, 2003	January 1, 2004 to April 1, 2004	April 2, 2004 to December 31, 2004	Year Ended December 31, 2005	Nine Months Ended September 30, 2005	Nine Months Ended September 30, 2006	Year Ended December 31, 2005	Nine Months Ended September 30, 2006
	(Dollars in thousands)							
Net Income (loss)	$ 44,649	$ (10,633)	$ (3,687)	$ (25,408)	$ 12,578	$ 21,170	$ (39,762)	$ 16,759
Add (deduct):								
Income taxes	25,041	(3,703)	18,293	9,408	7,026	9,576	2,176	3,411
Interest expense(1)	54,163	12,562	58,149	84,082	61,996	67,108	162,131	125,200
Other (income) expense	8,970	765	5,020	(4,581)	(2,762)	333	(6,105)	375
Cumulative effect of a change in accounting principle, net of taxes	—	—	—	—	—	—	—	—
(Income) loss from discontinued operations, net of taxes	2,740	1,565	(4,155)	—	—	—	—	—
Depreciation and amortization	65,085	16,865	58,266	81,952	61,005	61,541	136,791	102,670
Amortization of net favorable leases	—	—	3,087	4,174	3,131	2,982	4,203	3,004
Amortization of tenant allowances	—	—	—	—	—	—	(1,738)	(1,303)
Impairment of long-lived assets	5,049	1,000	36,721	51,677	2,917	5,199	51,677	5,605
(Gain) loss on sale of assets and other	(1,202)	(513)	3,602	4,436	2,879	5,300	9,393	5,361
Deferred lease expenses	4,547	560	3,336	4,395	3,357	4,928	4,984	4,305
Stock option compensation and change of control expenses related to the MDP Merger	—	31,995	—	—	—	—	—	—
Amortized compensation — stock options	1,080	145	—	—	—	2,148	—	2,148
Adjusted EBITDA	$ 210,122	$ 50,608	$ 178,632	$ 210,135	$ 152,127	$ 180,285	$ 323,750	$ 267,535
Adjusted EBITDA margin	22.1%	21.7%	22.6%	20.6%	20.4%	21.7%	21.4%	22.0%

(1) Includes amortization of debt issue costs.

The following table sets forth the reconciliation of Century's net income to Adjusted EBITDA. We have included this table to provide our Board of Directors, management and investors with additional information to measure how the Century acquisition will impact our performance, our value and our ability to service debt.

	Century Theatres, Inc.		
	Year Ended September 30, 2004	Year Ended September 29, 2005	Year Ended September 28, 2006
	(Dollars in thousands)		
Net Income	$ 33,242	$ 27,256	$ 18,124
Add (deduct):			
Income taxes	21,216	17,310	12,674
Interest expense	11,713	13,081	29,367
Other (income) expense	(1,045)	(1,403)	(282)
Cumulative effect of change in accounting principle	—	—	—
Income (loss) from discontinued operations, net of taxes	—	—	—
Depreciation and amortization	45,635	49,500	47,116
Amortization of net favorable leases	—	—	—
Amortization of tenant allowances	(1,734)	(1,738)	(1,738)
Impairment of long-lived assets	295	—	406
Loss on sale of assets and other	110	4,967	61
Deferred lease expenses	1,803	744	(565)
Change of control expenses related to acquisition (1)	—	—	15,672
Amortized compensation-stock options(2)	—	—	—
Adjusted EBITDA	$ 111,235	$ 109,717	$ 120,835
Adjusted EBITDA margin	22.3%	22.5%	23.4%

(1) Reflects change of control payments of $15.7 million as a result of the Century acquisition.

(2) Century had no stock option plan during the periods presented.

RISK FACTORS

Before you invest in our common stock, you should understand the high degree of risk involved. You should consider carefully the following risks and all other information in this prospectus, including the financial statements and related notes. The following risks and uncertainties are not the only ones we face. If any of the following risks actually occur, our business, financial condition and operating results could be adversely affected.

Risks Related to Our Business and Industry

Our business depends on film production and performance.

Our business depends on both the availability of suitable films for exhibition in our theatres and the success of those pictures in our markets. Poor performance of films, the disruption in the production of films, or a reduction in the marketing efforts of the film distributors to promote their films could have an adverse effect on our business by resulting in fewer patrons and reduced revenues.

A deterioration in relationships with film distributors could adversely affect our ability to obtain commercially successful films.

We rely on the film distributors for the motion pictures shown in our theatres. The film distribution business is highly concentrated, with ten major film distributors accounting for approximately 90% of U.S. box office revenues and 44 of the top 50 grossing films during 2005. Numerous antitrust cases and consent decrees resulting from these cases impact the distribution of motion pictures. The consent decrees bind certain major film distributors to license films to exhibitors on a theatre-by-theatre and film-by-film basis. Consequently, we cannot guarantee a supply of films by entering into long-term arrangements with major distributors. We are therefore required to negotiate licenses for each film and for each theatre. A deterioration in our relationship with any of the ten major film distributors could adversely affect our ability to obtain commercially successful films and to negotiate favorable licensing terms for such films, both of which could adversely affect our business and operating results.

We face intense competition for patrons and film licensing which may adversely affect our business.

The motion picture industry is highly competitive. We compete against local, regional, national and international exhibitors. We compete for both patrons and licensing of motion pictures. The competition for patrons is dependent upon such factors as the availability of popular motion pictures, the location and number of theatres and screens in a market, the comfort and quality of the theatres and pricing. Some of our competitors have greater resources and may have lower costs. The principal competitive factors with respect to film licensing include licensing terms, number of seats and screens available for a particular picture, revenue potential and the location and condition of an exhibitor's theatres. If we are unable to license successful films, our business may be adversely affected.

The oversupply of screens in the motion picture exhibition industry and other factors may adversely affect the performance of some of our theatres.

During the period between 1996 and 2000, theatre exhibitor companies emphasized the development of large multiplexes. The strategy of aggressively building multiplexes was adopted throughout the industry and resulted in an oversupply of screens in the North American exhibition industry and negatively impacted many older multiplex theatres more than expected. Many of these theatres have long lease commitments making them financially burdensome to close prior to the expiration of the lease term, even theatres that are unprofitable. Where theatres have been closed, landlords have often made rent concessions to small independent or regional operators to keep the theatres open since theatre buildings are typically limited in alternative uses. As a result, some analysts believe that there continues to be an oversupply of screens in the North American exhibition industry, as screen counts have increased each year since 2003. If competitors build theatres in the markets we serve, the performance of some of our theatres could be adversely affected due to increased competition.

An increase in the use of alternative film distribution channels and other competing forms of entertainment may drive down movie theatre attendance and limit ticket price growth.

We face competition for patrons from a number of alternative motion picture distribution channels, such as DVD, network and syndicated television, video on-demand, satellite pay-per-view television and downloading utilizing the Internet. We also compete with other forms of entertainment competing for our patrons' leisure time and disposable income such as concerts, amusement parks and sporting events. A significant increase in popularity of these alternative film distribution channels and competing forms of entertainment could have an adverse effect on our business and results of operations.

Our results of operations may be impacted by shrinking video release windows.

Over the last decade, the average video release window, which represents the time that elapses from the date of a film's theatrical release to the date a film is available on DVD, has decreased from approximately six months to approximately four months. We cannot assure you that this release window, which is determined by the film studios, will not shrink further or be eliminated altogether, which could have an adverse impact on our business and results of operations.

We have substantial long-term lease and debt obligations, which may restrict our ability to fund current and future operations.

We have significant long-term debt service obligations and long-term lease obligations. As of September 30, 2006, on a pro forma basis, we had $2,017.2 million in long-term debt obligations (including the aggregate principal amount at maturity of our 9$^{3}/_{4}$% senior discount notes), $116.7 million in capital lease obligations and $1,954.1 million in long-term operating lease obligations. On a pro forma basis, we incurred $162.1 million and $125.2 million of interest expense for the year ended December 31, 2005 and the nine months ended September 30, 2006, respectively. On a pro forma basis, we incurred $194.4 million and $157.9 million of rent expense for the year ended December 31, 2005 and the nine months ended September 30, 2006, respectively, under operating leases (with terms, excluding renewal options, ranging from one to 30 years). Our substantial lease and debt obligations pose risk to you by:

- making it more difficult for us to satisfy our obligations;
- requiring us to dedicate a substantial portion of our cash flow to payments on our lease and debt obligations, thereby reducing the availability of our cash flow to fund working capital, capital expenditures, acquisitions and other corporate requirements and to pay dividends;
- impeding our ability to obtain additional financing in the future for working capital, capital expenditures, acquisitions and general corporate purposes;
- subjecting us to the risk of increased sensitivity to interest rate increases on our variable rate debt, including our borrowings under our new senior secured credit facility; and
- making us more vulnerable to a downturn in our business and competitive pressures and limiting our flexibility to plan for, or react to, changes in our business.

Our ability to make scheduled payments of principal and interest with respect to our indebtedness and service our lease obligations will depend on our ability to generate cash flow from our operations. To a certain extent, our ability to generate cash flow is subject to general economic, financial, competitive, regulatory and other factors that are beyond our control. We cannot assure you that we will continue to generate cash flow at current levels. If we fail to make any required payment under the agreements governing our indebtedness or fail to comply with the financial and operating covenants contained in them, we would be in default and our lenders would have the ability to require that we immediately repay our outstanding indebtedness. If we fail to make any required payment under our leases, we would be in default and our landlords would have the ability to terminate our leases and re-enter the premises. Subject to the restrictions contained in our indebtedness agreements, we expect to incur additional indebtedness from time to time to finance acquisitions, capital expenditures, working capital requirements and other general business purposes. In addition, we may need to refinance all or a portion of our indebtedness, including our new senior secured credit facility, our 9% senior subordinated notes and our $9^{3}/_{4}$% senior discount notes, on or before maturity. However, we may not be able to refinance all or any of our indebtedness on commercially reasonable terms or at all.

We are subject to various covenants in our debt agreements that restrict our ability to enter into certain transactions.

The agreements governing our debt obligations contain various financial and operating covenants that limit our ability to engage in certain transactions, that require us not to allow specific events to occur or that require us to apply proceeds from certain transactions to reduce indebtedness. If we fail to make any required payment under the agreements governing our indebtedness or fail to comply with the financial and operating covenants contained in them, we would be in default, and our debt holders would have the ability to require that we immediately repay our outstanding indebtedness. Any such defaults could materially impair our financial condition and liquidity. We cannot assure you that we would be able to refinance our outstanding indebtedness if debt holders require repayments as a result of a default.

General political, social and economic conditions can adversely affect our attendance.

Our results of operations are dependent on general political, social and economic conditions, and the impact of such conditions on our theatre operating costs and on the willingness of consumers to spend money at movie theatres. If consumers' discretionary income declines as a result of an economic downturn, our operations could be adversely affected. If theatre operating costs, such as utility costs, increase due to political or economic changes, our results of operations could be adversely affected. Political events, such as terrorist attacks, could cause people to avoid our theatres or other public places where large crowds are in attendance.

Our foreign operations are subject to adverse regulations and currency exchange risk.

We have 113 theatres with 945 screens in twelve countries in Latin America. Brazil and Mexico represented approximately 7.4% and 4.9% of our consolidated 2005 pro forma revenues, respectively. Governmental regulation of the motion picture industry in foreign markets differs from that in the United States. Regulations affecting prices, quota systems requiring the exhibition of locally-produced films and restrictions on ownership of land may adversely affect our international operations in foreign markets. Our international operations are subject to certain political, economic and other uncertainties not encountered by our domestic operations, including risks of severe economic downturns and high inflation. We also face the additional risks of currency fluctuations, hard currency shortages and controls of foreign currency exchange and transfers abroad, all of which could have an adverse effect on the results of our international operations.

We may not be able to generate additional revenues or realize expected value from our investment in NCM.

We, along with Regal and AMC, are founding members of NCM, and we intend to enter into a new agreement with NCM pursuant to which it will promote and sell lobby and screen advertising and alternative uses of our auditoriums for non-film related events for a 30-year term. Cinema advertising is a small component of the U.S. advertising market. Accordingly, NCM competes with larger, established and well known media platforms such as broadcast radio and television, cable and satellite television, outdoor advertising and Internet portals. NCM also competes with other cinema advertising companies and with hotels, conference centers, arenas, restaurants and convention facilities for its non-film related events to be shown in our auditorium. There can be no guarantee that in-theatre advertising will continue to attract major advertisers or that NCM's in-theatre advertising format will be favorably received by the theatre-going public. If NCM is unable to generate expected sales of advertising, it may not maintain the level of profitability we hope to achieve, its results of operations may be adversely affected and our investment in and revenues from NCM may be adversely impacted.

We are subject to uncertainties related to digital cinema, including potentially high costs of re-equipping theatres with projectors to show digital movies.

Digital cinema is still in an experimental stage in our industry. Some of our competitors have commenced a roll-out of digital equipment for exhibiting feature films. There are multiple parties vying for the position of being the primary generator of the digital projector roll-out for exhibiting feature films. However, significant obstacles exist that impact such a roll-out plan including the cost of digital projectors, the substantial investment in re-equipping theatres and determining who will be responsible for such costs. We cannot assure you that we will be able to obtain financing arrangements to fund our portion of the digital cinema roll-out nor that such financing will be available to us on acceptable terms, if at all.

We are subject to uncertainties relating to future expansion plans, including our ability to identify suitable acquisition candidates or site locations.

We have greatly expanded our operations over the last decade through targeted worldwide theatre development and the Century acquisition. We will continue to pursue a strategy of expansion that will involve the development of new theatres and may involve acquisitions of existing theatres and theatre circuits both in the U.S. and internationally. There is significant competition for potential site locations and existing theatre and theatre circuit acquisition opportunities. As a result of such competition, we may not be able to acquire attractive site locations, existing theatres or theatre circuits on terms we consider acceptable. We cannot assure you that our expansion strategy will result in improvements to our business, financial condition or profitability. Further, our expansion programs may require financing above our existing borrowing capacity and internally generated funds. We cannot assure you that we will be able to obtain such financing nor that such financing will be available to us on acceptable terms.

If we do not comply with the Americans with Disabilities Act of 1990, we could be subject to further litigation.

Our theatres must comply with Title III of the Americans with Disabilities Act of 1990, or the ADA, and analogous state and local laws. Compliance with the ADA requires among other things that public facilities “reasonably accommodate” individuals with disabilities and that new construction or alterations made to “commercial facilities” conform to accessibility guidelines unless “structurally impracticable” for new construction or technically infeasible for alterations. In March 1999, the Department of Justice, or DOJ, filed suit against us in Ohio alleging certain violations of the ADA relating to wheelchair seating arrangements in certain of our stadium-style theatres and seeking remedial action. We and the DOJ have resolved this lawsuit and a consent order was entered by the U.S. District Court for the Northern District of Ohio, Eastern Division, on November 17, 2004. Under the consent order, we are required to make modifications to wheelchair seating locations in fourteen stadium-style movie theatres and spacing and companion seating modifications in 67 auditoriums at other stadium-styled movie theatres. These modifications must be completed by November 2009. If we fail to comply with the ADA, remedies could include imposition of injunctive relief, fines, awards for damages to private litigants and additional capital expenditures to remedy non-compliance. Imposition of significant fines, damage awards or capital expenditures to cure non-compliance could adversely affect our business and operating results.

We depend on key personnel for our current and future performance.

Our current and future performance depends to a significant degree upon the continued contributions of our senior management team and other key personnel. The loss or unavailability to us of any member of our senior management team or a key employee could significantly harm us. We cannot assure you that we would be able to locate or employ qualified replacements for senior management or key employees on acceptable terms.

We are subject to impairment losses due to potential declines in the fair value of our assets.

We review long-lived assets for impairment on a quarterly basis or whenever events or changes in circumstances indicate the carrying amount of the assets may not be fully recoverable.

We assess many factors when determining whether to impair individual theatre assets, including actual theatre level cash flows, future years budgeted theatre level cash flows, theatre property and equipment carrying values, theatre goodwill carrying values, the age of a recently built theatre, competitive theatres in the marketplace, the sharing of a marketplace with our other theatres, changes in foreign currency exchange rates, the impact of recent ticket price changes, available lease renewal options and other factors considered relevant in our assessment of impairment of individual theatre assets. The evaluation is based on the estimated undiscounted cash flows from continuing use through the remainder of the theatre's useful life. The remainder of the useful life correlates with the available remaining lease period, which includes the probability of renewal periods, for leased properties and a period of twenty years for fee owned properties. If the estimated undiscounted cash flows are not sufficient to recover a long-lived asset's carrying value, we then compare the carrying value of the asset with its estimated fair value. Fair value is determined based on a multiple of cash flows. When estimated fair value is determined to be lower than the carrying value of the long-lived asset, the asset is written down to its estimated fair value.

We also test goodwill and other intangible assets for impairment at least annually in accordance with Statement of Financial Accounting Standards ("SFAS") No. 142, "*Goodwill and Other Intangible Assets.*" Goodwill and other intangible assets are tested for impairment at the reporting unit level at least annually or whenever events or changes in circumstances indicate the carrying value may not be recoverable. Factors considered include significant underperformance relative to historical or projected business and significant negative industry or economic trends. Goodwill impairment is evaluated using a two-step approach requiring us to compute the fair value of a reporting unit (generally at the theatre level), and compare it with its carrying value. If the carrying value of the theatre exceeds its fair value, a second step would be performed to measure the potential goodwill impairment. Fair value is estimated based on a multiple of cash flows.

We recorded asset impairment charges, including goodwill impairment charges, of $5.0 million, $1.0 million, $36.7 million and $51.7 million for the year ended December 31, 2003, the period January 1, 2004 to April 1, 2004, the period April 2, 2004 to December 31, 2004 and the year ended December 31, 2005, respectively. We also recorded impairment charges of $5.2 million for the nine months ended September 30, 2006. We cannot assure you that additional impairment charges will not be required in the future, and such charges may have an adverse effect on our financial condition and results of operations. See "Management's Discussion and Analysis of Financial Condition and Results of Operations."

Our results of operations vary from period to period based upon the quantity and quality of the motion pictures that we show in our theatres.

Our results of operations vary from period to period based upon the quantity and quality of the motion pictures that we show in our theatres. The major film distributors generally release the films they anticipate will be most successful during the summer and holiday seasons. Consequently, we typically generate higher revenues during these periods. Due to the dependency on the success of films released from one period to the next, results of operations for one period may not be indicative of the results for the following period or the same period in the following year.

Risks Related to Our Corporate Structure

The interests of MDP may not be aligned with yours.

We are controlled by an affiliate of MDP. MDP will beneficially own approximately % of our common stock after the offering (approximately % of our common stock if the underwriter's option to purchase additional shares is exercised in full). After the offering, MDP will continue to have the right to designate a majority of our Board of Directors. Accordingly, we expect that MDP will influence and effectively control our corporate and management policies and determine, without the consent of our other stockholders, the outcome of any corporate transaction or other matters submitted to our stockholders for approval, including potential mergers or acquisitions, asset sales and other significant corporate transactions. MDP could take other actions that might be desirable to MDP but not to other stockholders.

Investors in this offering will experience immediate dilution.

Investors purchasing shares of our common stock in this offering will experience immediate dilution of $ per share, based upon an assumed initial offering price of $ per share. You will suffer additional dilution if stock, restricted stock, stock options or other equity awards, whether currently outstanding or subsequently granted, are exercised.

Our ability to pay dividends may be limited or otherwise restricted.

We have never declared or paid any dividends on our common stock. Our ability to pay dividends is limited by our status as a holding company and the terms of our indentures, our new senior secured credit facility and certain of our other debt instruments, which restrict our ability to pay dividends and the ability of certain of our subsidiaries to pay dividends, directly or indirectly, to us. Under our debt instruments, we may pay a cash dividend up to a specified amount, provided we have satisfied certain financial covenants in, and are not in default under, our debt instruments. Furthermore, certain of our foreign subsidiaries currently have a deficit in retained earnings which prevents them from declaring and paying dividends from those subsidiaries. The declaration of future dividends on our common stock will be at the discretion of our Board of Directors and will depend upon many factors, including our results of operations, financial condition, earnings, capital requirements, limitations in our debt agreements and legal requirements. We cannot assure you that any dividends will be paid in the anticipated amounts and frequency set forth in this prospectus, if at all.

Provisions in our corporate documents and certain agreements, as well as Delaware law, may hinder a change of control.

Provisions that will be in our amended and restated certificate of incorporation and bylaws, as well as provisions of the Delaware General Corporation Law, could discourage unsolicited proposals to acquire us, even though such proposals may be beneficial to you. These provisions include:

- authorization of our Board of Directors to issue shares of preferred stock without stockholder approval;
- a board of directors classified into three classes of directors with the directors of each class having staggered, three-year terms;
- provisions regulating the ability of our stockholders to nominate directors for election or to bring matters for action at annual meetings of our stockholders; and
- provisions of Delaware law that restrict many business combinations and provide that directors serving on classified boards of directors, such as ours, may be removed only for cause.

Certain provisions of the 9 3/4% senior discount notes indenture, 9% senior subordinated notes indenture and the new senior secured credit facility may have the effect of delaying or preventing future transactions involving a “change of control.” A “change of control” would require us to make an offer to the holders of our 9% senior subordinated notes and 9 3/4% senior discount notes to repurchase all of the outstanding notes at a purchase price equal to 101% of the aggregate principal amount outstanding plus accrued unpaid interest to the date of the purchase. A “change of control” would also be an event of default under our new senior secured credit facility.

Since we are a “controlled company” for purposes of the New York Stock Exchange’s corporate governance requirements, our stockholders will not have, and may never have, the protections that these corporate governance requirements are intended to provide.

Since we are a “controlled company” for purposes of the New York Stock Exchange’s corporate governance requirements, we are not required to comply with the provisions requiring a majority of independent directors, nominating and corporate governance and compensation committees composed entirely of independent directors as defined under the listing standards and written charters for these committees addressing specified matters. As a result, our stockholders will not have, and may never have, the protections that these rules are intended to provide.

We will be subject to the requirements of Section 404 of the Sarbanes-Oxley Act and if we are unable to timely comply with Section 404, our profitability, stock price and results of operations and financial condition could be materially adversely affected.

We will be required to comply with certain provisions of Section 404 of the Sarbanes-Oxley Act of 2002 as of December 31, 2007. Section 404 requires that we document and test our internal control over financial reporting and issue management's assessment of our internal control over financial reporting. This section also requires that our independent registered public accounting firm opine on those internal controls and management's assessment of those controls as of December 31, 2008. We are currently evaluating our existing controls against the standards adopted by the Committee of Sponsoring Organizations of the Treadway Commission. During the course of our ongoing evaluation and integration of the internal control over financial reporting, we may identify areas requiring improvement, and we may have to design enhanced processes and controls to address issues identified through this review. We cannot be certain at this time that we will be able to successfully complete the procedures, certification and attestation requirements of Section 404. If we fail to comply with the requirements of Section 404 or if we or our auditors identify and report material weakness, the accuracy and timeliness of the filing of our annual and quarterly reports may be negatively affected and could cause investors to lose confidence in our reported financial information, which could have a negative effect on the trading price of our common stock.

Risks Related to This Offering

The market price of our common stock may be volatile.

Prior to this offering, there has been no public market for our common stock, and there can be no assurance that an active trading market for our common stock will develop or continue upon completion of the offering. The securities markets have recently experienced extreme price and volume fluctuations and the market prices of the securities of companies have been particularly volatile. The initial price to the public of our common stock will be determined through our negotiations with the underwriter. This market volatility, as well as general economic or political conditions, could reduce the market price of our common stock regardless of our operating performance. In addition, our operating results could be below the expectations of investment analysts and investors and, in response, the market price of our common stock may decrease significantly and prevent investors from reselling their shares of our common stock at or above the offering price. In the past, companies that have experienced volatility in the market price of their stock have been the subject of securities class action litigation. If we were the subject of securities class action litigation, it could result in substantial costs, liabilities and a diversion of management's attention and resources.

Future sales of our common stock may adversely affect the prevailing market price.

If a large number of shares of our common stock is sold in the open market after this offering, or the perception that such sales will occur, the trading price of our common stock could decrease. In addition, the sale of these shares could impair our ability to raise capital through the sale of additional common stock. After this offering, we will have an aggregate of shares of our common stock authorized but unissued and not reserved for specific purposes. In general, we may issue all of these shares without any action or approval by our stockholders. We may issue shares of our common stock in connection with acquisitions.

Upon consummation of the offering, we will have shares of our common stock outstanding. Of these shares, all shares sold in the offering, other than shares, if any, purchased by our affiliates, will be freely tradable. The remaining shares of our common stock will be "restricted securities" as that term is defined in Rule 144 under the Securities Act. Restricted securities may not be resold in a public distribution except in compliance with the registration requirements of the Securities Act or pursuant to an exemption therefrom, including the exemptions provided by Regulation S and Rule 144 promulgated under the Securities Act.

We, all of our directors and executive officers, holders of more than 5% of our outstanding stock and the selling stockholders have entered into lock-up agreements and, with limited exceptions, have agreed not to, among other things, sell or otherwise dispose of our common stock for a period of days after the date of this prospectus. After this lock-up period, certain of our existing stockholders will be able to sell their shares pursuant to registration rights we have granted to them. We cannot predict whether substantial amounts of our common stock will be sold in the open market in anticipation of, or following, any divestiture by any of our existing stockholders, our directors or executive officers of their shares of common stock.

We also reserved shares of our common stock for issuance under our 2006 Long Term Incentive Plan, of which shares of common stock are issuable upon exercise of options outstanding as of the date hereof, of which are currently exercisable or will become exercisable within 60 days after September 30, 2006. The sale of shares issued upon the exercise of stock options could further dilute your investment in our common stock and adversely affect our stock price.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This prospectus includes “forward-looking statements” based on our current expectations, assumptions, estimates and projections about our business and our industry. They include statements relating to:

- future revenues, expenses and profitability;
- the future development and expected growth of our business;
- projected capital expenditures;
- attendance at movies generally or in any of the markets in which we operate;
- the number or diversity of popular movies released and our ability to successfully license and exhibit popular films;
- national and international growth in our industry;
- competition from other exhibitors and alternative forms of entertainment; and
- determinations in lawsuits in which we are defendants.

You can identify forward-looking statements by the use of words such as “may,” “should,” “will,” “could,” “estimates,” “predicts,” “potential,” “continue,” “anticipates,” “believes,” “plans,” “expects,” “future” and “intends” and similar expressions which are intended to identify forward-looking statements. These statements are not guarantees of future performance and are subject to risks, uncertainties and other factors, some of which are beyond our control and difficult to predict and could cause actual results to differ materially from those expressed or forecasted in the forward-looking statements. In evaluating forward-looking statements, you should carefully consider the risks and uncertainties described in “Risk Factors” and elsewhere in this prospectus. All forward-looking statements attributable to us or persons acting on our behalf are expressly qualified in their entirety by the cautionary statements and risk factors contained in this prospectus. Forward-looking statements contained in this prospectus reflect our view only as of the date of this prospectus. Neither we nor the underwriter undertake any obligation, other than as required by law, to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

USE OF PROCEEDS

We estimate that we will receive net proceeds from this offering of approximately $ million based upon an assumed initial public offering price of $ (the midpoint of the range set forth on the cover page of this prospectus) and after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us. We will not receive any of the net proceeds from the sale of shares by the selling stockholders.

We intend to use the net proceeds that we will receive to repay debt outstanding under our new senior secured credit facility or to redeem all or a part of our 9% senior subordinated notes or 9 3/4% senior discount notes, and for working capital and other general corporate purposes.

Our outstanding principal balance under our new senior credit facility was $1,117.2 million in term loans and there were no amounts outstanding under the revolving credit line as of the date hereof. The term loan matures on October 5, 2013 and the revolving credit line matures on October 5, 2012, except that, under certain circumstances, both would mature on August 1, 2012. Our effective interest rate on the term loan was 7.3% as of September 30, 2006. The net proceeds of the term loan were used to finance a portion of the purchase price for the Century acquisition, repay in full the loans outstanding under our former senior secured credit facility, repay certain existing indebtedness of Century and to pay for related fees and expenses. The revolving credit line is used for our general corporate purposes. As of the date hereof, we had outstanding approximately $535.6 million aggregate principal amount at maturity of our 9 3/4% senior discount notes and $332.3 million aggregate principal amount of our 9% senior subordinated notes. Our 9 3/4% senior discount notes and 9% senior subordinated notes mature in 2014 and 2013, respectively. For more information on our outstanding debt, see “Management’s Discussion and Analysis of Financial Condition and Results of Operations — Liquidity and Capital Resources.”

Management will have significant flexibility in applying our net proceeds of this offering. Pending the application of the net proceeds, we expect to invest the proceeds in short-term, investment-grade marketable securities or money market obligations.

Lehman Brothers Inc. acted as initial purchaser in connection with the offerings of our 9 3/4% senior discount notes and our 9% senior subordinated notes. An affiliate of Lehman Brothers Inc. was the arranger and is a lender and the administrative agent under our new senior secured credit facility.

DIVIDEND POLICY

We have never declared or paid any dividends on our common stock. Following this offering and subject to legally available funds, we intend to pay a quarterly cash dividend at an annual rate initially equal to $ per share (or a quarterly rate initially equal to $ per share) of common stock, commencing in the quarter of 2007, which will be a partial dividend paid on a pro rata basis depending on the closing date of this offering. Our ability to pay dividends is limited by our status as a holding company and the terms of our indentures, our new senior secured credit facility and certain of our other debt instruments, which restrict our ability to pay dividends to our stockholders and the ability of certain of our subsidiaries to pay dividends, directly or indirectly, to us. Under our debt instruments, we may pay a cash dividend up to a specified amount, provided we have satisfied certain financial covenants in, and are not in default under, our debt instruments. See “Management’s Discussion and Analysis of Financial Condition and Results of Operations — Liquidity and Capital Resources” for further discussion regarding the restrictions on our ability to pay dividends contained in our debt instruments. Furthermore, certain of our foreign subsidiaries currently have a deficit in retained earnings which prevents them from declaring and paying dividends from those subsidiaries. The declaration of future dividends on our common stock will be at the discretion of our Board of Directors and will depend upon many factors, including our results of operations, financial condition, earnings, capital requirements, limitations in our debt agreements and legal requirements. We cannot assure you that any dividends will be paid in the anticipated amounts and frequency set forth in this prospectus, if at all.

CAPITALIZATION

The following table presents our cash and cash equivalents and capitalization as of September 30, 2006. Our cash and cash equivalents and capitalization is presented:

- on an actual basis;
- on a pro forma basis to reflect the following transactions in connection with the Century acquisition: (a) borrowings of $1,120 million under our new senior secured credit facility, (b) application of the net proceeds from those borrowings to pay off $360 million under Century's then existing credit facility and $253.5 million under our former senior secured credit facility and to fund a portion of the purchase price for the Century acquisition, (c) the issuance of shares of our common stock to pay approximately $150 million of the purchase price for the Century acquisition, (d) the use of $53 million of cash to pay the remaining portion of the purchase price for the Century acquisition and related transaction expenses and (e) the advance of $17 million of cash to Century to satisfy working capital obligations;
- on a pro forma basis as adjusted to reflect our receipt of the estimated net proceeds from this offering at an assumed initial public offering price of $ per share, and the application of those proceeds.

You should read this table in conjunction with the historical consolidated financial statements and related notes and "Unaudited Pro Forma Condensed Consolidated Financial Information" included elsewhere in this prospectus.

	As of September 30, 2006		
	Actual	Pro Forma	Pro Forma As Adjusted
		(In thousands) (Unaudited)	
Cash and cash equivalents	$ 142,204	$ 78,594	$
Long-term debt, including current maturities:			
Former Senior Credit Facility	253,500	—	
New Senior Secured Credit Facility	—	1,120,000	
9$^{3}/_{4}$% Senior Discount Notes due 2014	423,869	423,869	
9% Senior Subordinated Notes due 2013(1)	351,216	351,216	
Capital lease obligations	—	116,666	
Other indebtedness	10,341	10,341	
Total debt	1,038,926	2,022,092	
Minority interest in subsidiaries	17,145	17,145	
Stockholders' equity:			
Common stock, $0.001 par value, authorized shares, actual, pro forma and pro forma as adjusted issued and outstanding	28	31	
Additional paid-in capital	534,747	684,744	
Accumulated other comprehensive loss	(732)	(732)	
Retained earnings	12,637	6,492	
Total stockholders' equity	546,680	690,535	
Total capitalization	$ 1,602,751	$ 2,729,772	$

(1) Actual, pro forma and pro forma as adjusted amounts shown are net of unamortized debt premiums of approximately $19.0 million associated with the issuance of the 9% senior subordinated notes.

The number of shares of our common stock to be outstanding immediately after this offering does not include shares of common stock issuable upon the exercise of outstanding stock options at a weighted average exercise price of approximately $ per share, an aggregate of shares of common stock reserved for future issuance under our 2006 Long Term Incentive Plan.

DILUTION

Purchasers of common stock offered by this prospectus will suffer an immediate and substantial dilution in net tangible book value per share. Our net tangible book value as of September 30, 2006 was approximately $ million, or approximately $ per share of common stock. Net tangible book value per share represents the amount of total tangible assets less total liabilities, divided by the number of shares of common stock outstanding.

Dilution in net tangible book value per share represents the difference between the amount per share paid by purchasers of our common stock in this offering and the net tangible book value per share of our common stock immediately after this offering. After giving effect to our sale of shares of common stock in this offering at an assumed initial public offering price of $ per share and after deduction of the estimated underwriting discounts and commissions and estimated offering expenses payable by us, our net tangible book value as of , 2007 would have been approximately $ million, or $ per share. This represents an immediate increase in net tangible book value of $ per share of common stock to existing stockholders and an immediate dilution of $ per share to purchasers of common stock in this offering.

Assumed initial public offering price per share of common stock		$
Net tangible book value per share as of September 30, 2006	$	
Increase per share attributable to new investors	$	
Net tangible book value per share after the offering		$
Net tangible book value dilution per share to new investors		$

The following table sets forth, as of September 30, 2006, the total consideration paid and the average price per share paid by our existing stockholders and by new investors, before deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us at an assumed initial public offering price of $ per share.

	Shares Purchased		Total Consideration		Average Price Per Share
	Number	Percent	Amount	Percent	
Existing stockholders		%	$	%	$
New investors		%	$	%	
Total		%	$	%	

As of September 30, 2006, there were outstanding options to purchase a total of shares of our common stock at a weighted average exercise price of approximately $ per share, which excludes shares reserved for issuance under our 2006 Long Term Incentive Plan. To the extent that options are exercised in the future, there will be further dilution to new investors.

SELECTED HISTORICAL CONSOLIDATED FINANCIAL AND OPERATING INFORMATION

The following tables set forth our selected historical consolidated financial and operating information as of and for the periods indicated. The selected historical information for periods through April 1, 2004 are of Cinemark, Inc., the predecessor, and the selected historical information for all subsequent periods are of Cinemark Holdings, Inc., the successor. Our financial information for the year ended December 31, 2003, the period January 1, 2004 to April 1, 2004, the period April 2, 2004 to December 31, 2004 and the year ended December 31, 2005 is derived from our audited consolidated financial statements appearing elsewhere in this prospectus. Our financial information for each of the years ended December 31, 2001 and 2002 is derived from our audited consolidated financial statements which are not included in this prospectus. Our unaudited interim financial information for the nine months ended September 30, 2005 and 2006 is derived from our unaudited interim consolidated financial statements appearing elsewhere in this prospectus which, in the opinion of management, contain all adjustments necessary for a fair presentation of this information. The unaudited interim financial information for the nine months ended September 30, 2006 is not necessarily indicative of the results expected for the full year.

You should read the selected historical consolidated financial and operating information set forth below in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations" and with the financial statements and related notes appearing elsewhere in this prospectus.

	Cinemark, Inc. Predecessor				Cinemark Holdings, Inc. Successor			
	Year Ended December 31,			January 1, 2004 to April 1, 2004	April 2, 2004 to December 31, 2004	Year Ended December 31, 2005	Nine Months Ended September 30,	
	2001	2002	2003				2005	2006
	(Dollars in thousands, except per share data)							
Statement of Operations Data(1):								
Revenues:								
Admissions	$ 548,786	$ 595,287	$ 597,548	$ 149,134	$ 497,865	$ 641,240	$ 470,535	$ 514,183
Concession	257,442	291,807	300,568	72,480	249,141	320,072	234,564	260,223
Other	47,113	48,760	52,756	12,011	43,611	59,285	41,909	54,683
Total Revenue	$ 853,341	$ 935,854	$ 950,872	$ 233,625	$ 790,617	$ 1,020,597	$ 747,008	$ 829,089
Operating Income	58,160	130,443	135,563	556	73,620	63,501	78,838	98,187
Income (loss) from continuing operations	(3,456)	40,509	47,389	(9,068)	(7,842)	(25,408)	12,578	21,170
Net income (loss)	$ (4,021)	$ 35,476	$ 44,649	$ (10,633)	$ (3,687)	$ (25,408)	$ 12,578	$ 21,170
Net income (loss) per share:								
Basic	$ (0.10)	$ 0.88	$ 1.10	$ (0.26)	$ (0.13)	$ (0.91)	$ 0.45	$ 0.76
Diluted	$ (0.10)	$ 0.87	$ 1.09	$ (0.26)	$ (0.13)	$ (0.91)	$ 0.45	$ 0.74
Weighted average shares outstanding:								
Basic	39,497	40,513	40,516	40,614	27,675	27,784	27,746	27,896
Diluted	39,497	40,625	40,795	40,614	27,675	27,784	27,746	28,453
Other Financial Data:								
Cash flow provided by (used for):								
Operating activities	$ 87,117	$ 150,119	$ 135,522	$ 10,100	$ 112,986	$ 165,270	$ 84,070	$ 80,425
Investing activities	(33,799)	(34,750)	(47,151)	(16,210)	(100,737)	(81,617)	(53,455)	(76,395)
Financing activities	(21,508)	(96,140)	(45,738)	346,983	(361,426)	(3,750)	(1,477)	(44,293)
Capital expenditures	40,352	38,032	51,002	17,850	63,158	75,605	47,676	77,902
Non-GAAP Data(1):								
Adjusted EBITDA(2)	$ 170,085	$ 206,270	$ 210,122	$ 50,608	$ 178,632	$ 210,135	$ 152,127	$ 180,285
Adjusted EBITDA margin(2)	19.9%	22.0%	22.1%	21.7%	22.6%	20.6%	20.4%	21.7%

	Cinemark, Inc. Predecessor			Cinemark Holdings, Inc. Successor		
	As of December 31,					As of September 30,
	2001	2002	2003	2004	2005	2006
				(In thousands)		
Balance Sheet Data:						
Cash and cash equivalents	$ 50,199	$ 63,719	$ 107,322	$ 100,248	$ 182,199	$ 142,204
Theatre properties and equipment, net	866,406	791,731	775,880	794,723	803,269	806,393
Total assets	996,544	916,814	960,736	1,831,855	1,864,852	1,830,803
Total long-term debt, including current portion	780,956	692,587	658,431	1,026,055	1,055,095	1,038,926
Stockholders' equity	25,337	27,664	76,946	533,200	519,349	546,680

	Cinemark, Inc. Predecessor				Cinemark Holdings, Inc. Successor			
	As of and for Year Ended December 31,			As of and for the Period From January 1, 2004 to April 1, 2004	As of and for the Period From April 2, 2004 to December 31, 2004	As of and for Year Ended December 31,	As of and for Nine Months Ended September 30,	
	2001	2002	2003			2005	2005	2006
				(Attendance in thousands)				
Operating Data:								
United States(3)(5)								
Theatres operated (at period end)	188	188	189	191	191	200	197	202
Screens operated (at period end)	2,217	2,215	2,244	2,262	2,303	2,417	2,369	2,468
Total attendance(1)	100,022	111,959	112,581	25,790	87,856	105,573	78,257	81,558
International(4)								
Theatres operated (at period end)	88	92	97	95	101	108	106	113
Screens operated (at period end)	783	816	852	835	869	912	898	945
Total attendance(1)	53,853	60,109	60,553	15,791	49,904	60,104	45,270	46,930
Worldwide(3)(4)(5)								
Theatres operated (at period end)	276	280	286	286	292	308	303	315
Screens operated (at period end)	3,000	3,031	3,096	3,097	3,172	3,329	3,267	3,413
Total attendance(1)	153,875	172,068	173,134	41,581	137,760	165,677	123,527	128,488

(1) Statement of Operations Data (other than net income (loss)), non-GAAP Data and attendance data exclude the results of the two United Kingdom theatres and the eleven Interstate theatres for all periods presented as these theatres were sold during the period from April 2, 2004 to December 31, 2004. The results of operations for these theatres in the 2003 and 2004 periods are presented as discontinued operations. See note 6 to our annual consolidated financial statements.

(2) We set forth our definitions of Adjusted EBITDA and Adjusted EBITDA margin and a reconciliation of net income (loss) to Adjusted EBITDA at "— Non-GAAP Financial Measures and Reconciliation."

(3) The data excludes certain theatres operated by us in the U.S. pursuant to management agreements that are not part of our consolidated operations.

(4) The data excludes certain theatres operated internationally through our affiliates that are not part of our consolidated operations.

(5) The data for 2003 excludes theatres, screens and attendance for eight theatres and 46 screens acquired on December 31, 2003, as the results of operations for these theatres are not included in our 2003 consolidated results of operations.

Table of Contents

Non-GAAP Financial Measures and Reconciliation

Adjusted EBITDA as presented in the table above is equal to net income (loss), the most directly comparable GAAP financial measure, plus income taxes, interest expense, other (income) expense, cumulative effect of a change in accounting principle, net of taxes, (income) loss from discontinued operations, net of taxes, depreciation and amortization, amortization of net favorable leases, amortization of tenant allowances, impairment of long-lived assets, (gain) loss on sale of assets and other, changes in deferred lease expense, stock option compensation and change of control expenses related to the MDP Merger and amortized compensation related to stock options. Adjusted EBITDA margin is equal to Adjusted EBITDA divided by revenues.

Adjusted EBITDA and Adjusted EBITDA margin are non-GAAP financial measures commonly used in our industry. We have included Adjusted EBITDA and Adjusted EBITDA margin because these measures provide our Board of Directors, management and investors with additional information to measure our performance, estimate our value and evaluate our ability to service debt. Management uses Adjusted EBITDA and Adjusted EBITDA margin as a performance measure for internal monitoring and planning, including preparation of annual budgets, analyzing investment decisions and evaluating profitability and performance comparisons between us and our competitors. In addition, we use these measures to calculate the amount of performance based compensation under employment contracts and incentive bonus programs.

Adjusted EBITDA and Adjusted EBITDA margin should not be construed as alternatives to net income or operating income as indicators of operating performance or as alternatives to cash flow provided by operating activities as measures of liquidity (as determined in accordance with GAAP). Furthermore, Adjusted EBITDA may not be comparable to similarly titled measures reported by other companies.

The following table sets forth the reconciliation of our net income (loss) to Adjusted EBITDA:

	Cinemark, Inc. Predecessor				Cinemark Holdings, Inc. Successor			
	Year Ended December 31,			January 1, 2004 to April 1, 2004	April 2, 2004 to December 31, 2004	Year Ended December 31, 2005	Nine Months Ended September 30,	
	2001	2002	2003				2005	2006
	(In thousands)							
(Consolidated):								
Net Income (loss)	$ (4,021)	$ 35,476	$ 44,649	$ (10,633)	$ (3,687)	$ (25,408)	$ 12,578	$ 21,170
Add (deduct):								
Income taxes	(14,115)	29,092	25,041	(3,703)	18,293	9,408	7,026	9,576
Interest expense(1)	70,931	57,793	54,163	12,562	58,149	84,082	61,996	67,108
Other (income) expense	4,800	3,150	8,970	765	5,020	(4,581)	(2,762)	333
Cumulative effect of a change in accounting principle, net of taxes	—	3,390	—	—	—	—	—	—
(Income) loss from discontinued operations, net of taxes	565	1,542	2,740	1,565	(4,155)	—	—	—
Depreciation and amortization	73,078	66,583	65,085	16,865	58,266	81,952	61,005	61,541
Amortization of net favorable leases			—	—	3,087	4,174	3,131	2,982
Amortization of tenant allowances	—	—	—	—	—	—	—	—
Impairment of long-lived assets	20,723	3,869	5,049	1,000	36,721	51,677	2,917	5,199
(Gain) loss on sale of assets and other	12,408	470	(1,202)	(513)	3,602	4,436	2,879	5,300
Deferred lease expenses	4,702	3,802	4,547	560	3,336	4,395	3,357	4,928
Stock option compensation and change of control expenses related to the MDP Merger	—	—	—	31,995	—	—	—	—
Amortized compensation — stock options	1,014	1,103	1,080	145	—	—	—	2,148
Adjusted EBITDA	$ 170,085	$ 206,270	$ 210,122	$ 50,608	$ 178,632	$ 210,135	$ 152,127	$ 180,285
Adjusted EBITDA margin	19.9%	22.0%	22.1%	21.7%	22.6%	20.6%	20.4%	21.7%

(1) Includes amortization of debt issue costs.

UNAUDITED PRO FORMA CONDENSED CONSOLIDATED FINANCIAL INFORMATION

We prepared the following unaudited pro forma condensed consolidated financial information by applying pro forma adjustments to our historical consolidated financial statements. The unaudited pro forma condensed consolidated balance sheet gives effect to the Century acquisition as if it had occurred on September 30, 2006. The unaudited pro forma condensed consolidated statements of operations for the year ended December 31, 2005 and the nine months ended September 30, 2006 give effect to the Century acquisition as if it had occurred on January 1, 2005.

We based the unaudited pro forma adjustments upon available information and certain assumptions that we believe are reasonable under the circumstances. Assumptions underlying the unaudited pro forma adjustments are described in the accompanying notes. The unaudited pro forma information presented with respect to the Century acquisition, including allocations of purchase price, is based on preliminary estimates of the fair values of assets acquired and liabilities assumed, available information and assumptions and will be revised as requested information becomes available. The actual adjustments to our consolidated financial statements will differ from the unaudited pro forma adjustments, and the differences may be material.

We are providing the unaudited pro forma condensed consolidated financial information for informational purposes only. The unaudited pro forma condensed consolidated financial information does not purport to represent what our results of operations or financial condition would have been had the transactions described below actually occurred on the dates assumed, nor do they purport to project our results of operations or financial condition for any future period or as of any future date. You should read the unaudited pro forma condensed consolidated financial information in conjunction with our audited annual consolidated financial statements and related notes for the year ended December 31, 2005, our unaudited interim financial statements and related notes for the nine month period ended September 30, 2006, and Century's audited annual consolidated financial statements and related notes for the year ended September 28, 2006 included in this prospectus.

The Century Acquisition

On October 5, 2006, we completed the acquisition of Century, a national theatre chain with 77 theatres and 1,017 screens in 12 states. The purchase price was approximately $681 million and the assumption of approximately $360 million of debt. We incurred approximately $7 million of transaction fees and expenses that were capitalized as part of the acquisition. Cinemark USA, Inc., a wholly-owned subsidiary of Cinemark Holdings, Inc., acquired approximately 77% of the issued and outstanding capital stock of Century and Syufy Enterprises, LP, or Syufy, contributed the remaining shares of capital stock of Century to us in exchange for shares of our common stock.

In connection with the closing of the Century acquisition, Cinemark USA, Inc. entered into a new senior secured credit facility, and used the proceeds of the $1,120 million new term loan to fund a portion of the purchase price, to pay off approximately $360 million under Century's then existing credit facility and to repay in full all outstanding amounts under Cinemark USA, Inc.'s former senior secured credit facility of approximately $254 million. Cinemark USA, Inc. used approximately $53 million of its existing cash to fund the payment of the remaining portion of the purchase price and related transaction expenses. Additionally, Cinemark USA, Inc. advanced approximately $17 million of cash to Century to satisfy working capital obligations.

The Century acquisition is accounted for using purchase accounting. Under the purchase method of accounting, the total consideration paid is allocated to Century's tangible and intangible assets and liabilities based on their estimated fair values as of the date of the Century acquisition. As of the date hereof, we have not completed the valuation studies necessary to estimate the fair values of the assets acquired and liabilities assumed and the related allocation of purchase price. In presenting the unaudited pro forma financial information, we have allocated the purchase price, calculated as described in note 1 to the Unaudited Pro Forma Condensed Consolidated Balance Sheet, to the assets acquired and liabilities assumed based on preliminary estimates of their fair values. A final determination of these fair values will reflect our consideration of valuations, assisted by third-party appraisers. These final valuations will be based on the actual net tangible and intangible assets that exist as of the closing date of the Century acquisition. Any final adjustments will change the allocations of the purchase price, which could affect the initial fair values assigned to the assets and liabilities and could result in changes to the unaudited pro forma condensed consolidated financial information, including a change to goodwill.

We are currently integrating the Century operations into our existing business. We have consolidated Century’s corporate office processes into our existing processes, resulting in a net elimination of personnel and general and administrative cost. Additionally, we will transition the Century theatres into our existing concession supply and screen advertising contracts. For purposes of the unaudited pro forma financial information, we have not made any pro forma adjustment to reflect the future integration efforts.

Century used a 52/53 week fiscal year ending with the last Thursday in September. For purposes of the unaudited pro forma financial information, Century’s historical financial information has been conformed to reflect the historical financial information on a calendar year basis, consistent with our fiscal year reporting.

Cinemark Holdings, Inc.

Unaudited Pro Forma Condensed Consolidated Balance Sheets
September 30, 2006

	Cinemark Historical	Century Historical	Adjustments to Reflect Century Acquisition	Pro Forma
			(In thousands)	
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents	$ 142,204	$ 7,290	$ (70,900)(3)	$ 78,594
Inventories	4,272	2,299	—	6,571
Accounts receivable	24,579	5,841	35(10)	30,455
Prepaid expenses and other	5,981	5,564	—	11,545
Deferred tax assets	—	10,602	1,003(10)	11,605
Total current assets	177,036	31,596	(69,862)	138,770
THEATRE PROPERTIES AND EQUIPMENT — NET	806,393	426,418	178,536(1)	1,411,347
OTHER ASSETS				
Goodwill	552,933	—	602,695(1)	1,155,628
Intangible assets — net	237,112	947	(947)(1)	367,512
			136,000(1)	
			(5,600)(1)	
Investments in and advances to affiliates	9,312	—	—	9,312
Deferred charges and other — net	48,017	11,821	22,767(4)	69,596
			(5,057)(1)	
			(6,145)(4)	
			(1,807)(10)	
Total other assets	847,374	12,768	741,906	1,602,048
TOTAL ASSETS	$ 1,830,803	$ 470,782	$ 850,580	$ 3,152,165
LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIENCY)				
CURRENT LIABILITIES				
Current portion of capital leases	$ —	$ 4,002	$ (471)(1)	$ 3,531
Current portion of long-term debt	5,530	3,600	(3,600)(4)	14,130
			(2,600)(4)	
			11,200(4)	
Income tax payable	3,572	—	—	3,572
Accounts payable and accrued expenses	109,089	67,237	(15,672)(7)	164,396
			(2,037)(4)	
			4,577(1)	
			1,202(11)	
Total current liabilities	118,191	74,839	(7,401)	185,629
LONG-TERM LIABILITIES				
Senior credit agreements	258,311	356,400	(356,400)(4)	1,116,211
			(250,900)(4)	
			1,108,800(4)	
Senior subordinated notes	775,085	—	—	775,085
Capital lease obligations, net of current portion	—	112,512	623(1)	113,135
Deferred income taxes	94,664	3,071	135,519(1)	233,254
Deferred lease expenses	13,681	28,604	(28,604)(1)	13,681
Deferred gain on sale leasebacks	507	—	—	507
Deferred revenues and other long-term liabilities	6,539	21,121	(20,677)(1)	6,983
Total long-term liabilities	1,148,787	521,708	588,361	2,258,856
COMMITMENTS AND CONTINGENCIES	—	—	—	—
MINORITY INTERESTS IN SUBSIDIARIES	17,145	—	—	17,145
STOCKHOLDERS' EQUITY (DEFICIENCY)				
Common stock, $0.001 par value: 40,000,000 shares authorized and 31,284,782 shares issued and outstanding at September 30, 2006	28	4,112	(4,109)(2)	31
Additional paid-in-capital	534,747	—	149,997(1)(2)	684,744
Retained earnings (deficit)	12,637	(131,367)	131,367(2)	6,492
			(6,145)(4)	
Accumulated other comprehensive loss	(732)	1,490	(1,490)(2)(10)	(732)
Total stockholders' equity (deficiency)	546,680	(125,765)	269,620	690,535
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIENCY)	$ 1,830,803	$ 470,782	$ 850,580	$ 3,152,165

See notes to unaudited proforma condensed consolidated financial information.

Cinemark Holdings, Inc.

Unaudited Pro Forma Condensed Consolidated Statement of Operations
For the Nine Months Ended September 30, 2006

	Cinemark Historical	Century Historical	Adjustments to Reflect Century Acquisition	Pro Forma
	(In thousands)			
REVENUES				
Admissions	$ 514,183	$ 264,902	$ —	$ 779,085
Concession	260,223	109,641	—	369,864
Other	54,683	10,161	—	64,844
Total revenues	829,089	384,704	—	1,213,793
COSTS AND EXPENSES				
Cost of operations (excludes depreciation and amortization):				
Film rentals and advertising	275,005	137,711	—	412,716
Concession supplies	41,863	16,043	—	57,906
Salaries and wages	79,002	41,216	—	120,218
Facility lease expense	113,128	44,733	—	157,861
Utilities and other	100,924	39,226	—	140,150
Total cost of operations	609,922	278,929	—	888,851
General and administrative expenses	45,958	32,271	(15,672)(7)	62,557
Depreciation and amortization	61,541	36,200	4,929(5)	102,670
Amortization of net favorable leases	2,982	—	22(6)	3,004
Impairment of long-lived assets	5,199	406	—	5,605
Loss on sale of assets and other	5,300	61	—	5,361
Total costs and expenses	730,902	347,867	(10,721)	1,068,048
OPERATING INCOME	98,187	36,837	10,721	145,745
OTHER INCOME (EXPENSE)				
Interest expense	(64,949)	(26,033)	(29,392)(8)	(120,374)
Amortization of debt issue costs	(2,159)	(454)	(2,213)(8)	(4,826)
Interest income	5,563	567	—	6,130
Other income (expense)	(5,896)	(609)	—	(6,505)
Total other expenses	(67,441)	(26,529)	(31,605)	(125,575)
INCOME BEFORE INCOME TAXES	30,746	10,308	(20,884)	20,170
Income taxes	9,576	4,376	(10,541)(9)	3,411
NET INCOME	$ 21,170	$ 5,932	$ (10,343)	$ 16,759
EARNINGS PER SHARE				
Basic earnings per share	$ 0.76			$ 0.54
Diluted earnings per share	$ 0.74			$ 0.53

See notes to unaudited proforma condensed consolidated financial information.

Cinemark Holdings, Inc.

Unaudited Pro Forma Condensed Consolidated Statement of Operations
For the Year Ended December 31, 2005

	Cinemark Historical	Century Historical	Adjustments to Reflect Century Acquisition	Pro Forma
		(In thousands)		
REVENUES				
Admissions	$ 641,240	$ 341,459	$ —	$ 982,699
Concession	320,072	137,118	—	457,190
Other	59,285	15,274	—	74,559
Total revenues	1,020,597	493,851	—	1,514,448
COSTS AND EXPENSES				
Cost of operations (excludes depreciation and amortization):				
Film rentals and advertising	347,727	178,275	—	526,002
Concession supplies	52,507	20,124	—	72,631
Salaries and wages	101,431	52,641	—	154,072
Facility lease expense	138,477	55,917	—	194,394
Utilities and other	123,831	45,676	—	169,507
Total cost of operations	763,973	352,633	—	1,116,606
General and administrative expenses	50,884	26,454	—	77,338
Depreciation and amortization	81,952	48,559	6,280(5)	136,791
Amortization of net favorable leases	4,174	—	29(6)	4,203
Impairment of long-lived assets	51,677	—	—	51,677
Loss on sale of assets and other	4,436	4,957	—	9,393
Total costs and expenses	957,096	432,603	6,309	1,396,008
OPERATING INCOME	63,501	61,248	(6,309)	118,440
OTHER INCOME (EXPENSE)				
Interest expense	(81,342)	(12,736)	(61,757)(8)	(155,835)
Amortization of debt issue costs	(2,740)	—	(3,556)(8)	(6,296)
Interest income	6,600	1,045	—	7,645
Other income (expense)	(2,019)	479	—	(1,540)
Total other expenses	(79,501)	(11,212)	(65,313)	(156,026)
INCOME (LOSS) BEFORE INCOME TAXES	(16,000)	50,036	(71,622)	(37,586)
Income taxes	9,408	19,600	(26,832)(9)	2,176
NET INCOME (LOSS)	$ (25,408)	$ 30,436	$ (44,790)	$ (39,762)
EARNINGS PER SHARE				
Basic earnings (loss) per share	$ (0.91)			$ (1.28)
Diluted earnings (loss) per share	$ (0.91)			$ (1.28)

See notes to unaudited proforma condensed consolidated financial information.

Cinemark Holdings, Inc.

Notes to Unaudited Pro Forma Condensed Consolidated Financial Information
(Dollars in thousands)

(1) Reflects the estimated allocation of the purchase price paid to acquire Century. Under the purchase method of accounting, the total consideration paid is allocated to Century's tangible and intangible assets and liabilities based on their estimated fair values as of the date of the Century acquisition. The purchase price has been allocated based on preliminary estimates of fair values of the acquired assets and assumed liabilities with the assistance of independent third party valuation advisors and based on our experience with acquired businesses and their related valuations and purchase price allocations. The allocation is subject to revisions as requested information becomes available and such revisions could be material.

Consideration paid	$	531,226
Exchange of Century capital stock for Cinemark Holdings, Inc. capital stock		150,000
Transaction costs		6,899
Total consideration paid	$	688,125
Net liabilities acquired at historical cost as of October 5, 2006	$	(126,535)
Adjustments to state acquired assets at fair value:		
Net increase carrying value of property and equipment		178,536
Write off of existing intangibles		(947)
Record intangible assets acquired:		
Tradenames		136,000
Net unfavorable leases		(5,600)
Write off other assets, primarily debt issue costs		(5,057)
Net increase in liabilities related to conform accounting policies and other		(4,577)
Tax impact of valuation adjustments		(135,519)
Write off deferred lease expense		28,604
Write-off tenant allowances		20,677
Net increase in obligations under capital leases		(152)
Net assets acquired at fair value	$	85,430
Excess purchase price recorded as goodwill	$	602,695

(2) Reflects the pro forma adjustments to stockholders' equity to effect the Century acquisition. The issuance of capital stock is reflected in common stock at par value of $3 and additional paid-in-capital of $149,997.

(3) Reflects the reduction in available cash to fund a portion of the cash requirements to effect the Century acquisition, which includes approximately $53,000 for a portion of the purchase price and approximately $17,000 to satisfy working capital obligations.

(4) In connection with the closing of the Century acquisition, Cinemark USA, Inc. entered into a new senior secured credit facility, and used the proceeds of $1,120,000 ($11,200 of which is classified as a current liability) under the new term loan to fund the majority of cash portion of the purchase price, to pay off approximately $360,000 ($3,600 of which was classified as a current liability) under Century's then existing senior credit facility and $2,037 of accrued interest payable and to repay in full all outstanding amounts under Cinemark USA, Inc.'s former senior secured credit facility of approximately $253,500 ($2,600 of which was classified as a current liability). Debt issue costs related to the new senior secured credit facility were $22,767. Historical debt issue costs related to Cinemark USA, Inc.'s former senior secured credit facility of $6,145 were written off.

(5) Reflects the depreciation related to the increase in theatre property and equipment to fair value pursuant to purchase accounting for the Century acquisition.

Cinemark Holdings, Inc.

Notes to Unaudited Pro Forma Condensed Consolidated Financial Information
(Dollars in thousands)

(6) Reflects the amortization associated with intangible assets recorded pursuant to the purchase method of accounting for the Century acquisition as follows:

	Amount	Amortization Period
Goodwill	$ 602,695	Indefinite life
Tradenames	136,000	Indefinite life
Net unfavorable leases	(5,600)	Remaining term of the lease commitments ranging from one to thirty years

Both goodwill and tradenames are indefinite-lived intangible assets. As a result, goodwill and tradenames will not be amortized but will be evaluated for impairment at least annually. Pro forma amortization expense for the net unfavorable leases is estimated at $29 for the year ended December 31, 2005 and $22 for the nine months ended September 30, 2006.

The unaudited pro forma condensed consolidated financial information reflect our preliminary allocation of the purchase price to tangible assets, liabilities, goodwill and other intangible assets. The final purchase price allocation may result in a different allocation for tangible and intangible assets than that presented in these unaudited pro forma condensed consolidated financial information. An increase or decrease in the amount of purchase price allocated to amortizable assets would impact the amount of annual amortization expense. Identifiable intangible assets have been amortized on a straight-line basis in the unaudited pro forma condensed consolidated statements of operation.

(7) To give effect to the elimination of change of control payments to Century's management for the nine months ended September 30, 2006.

(8) Reflects interest expense and amortization of debt issuance costs resulting from the changes to Cinemark USA, Inc.'s debt structure:

	Nine Months Ended September 30, 2006	Year Ended December 31, 2005
Interest expense recorded on the Cinemark USA, Inc.'s existing term loan	$ (13,879)	$ (16,604)
Interest expense recorded on Century's existing credit facility	(18,217)	(3,623)
Interest expense on the new $1,120,000 term loan(a)	61,488	81,984
Interest expense	$ 29,392	$ 61,757

(a) Reflects estimated interest rate of 7.32% on the new senior credit facility.

	Nine Months Ended September 30, 2006	Year Ended December 31, 2005
Amortization of debt issue costs on Cinemark USA, Inc.'s existing term loan	$ (179)	$ (239)
Amortization of debt issue costs on Century's existing credit facility	(454)	—
Amortization of debt issue costs on the new $1,120,000 term loan	2,846	3,795
Amortization of debt issue costs	$ 2,213	$ 3,556

(9) To reflect the tax effect of the pro forma adjustments at our statutory income tax rate of 39%.

(10) To reflect operations between September 28, 2006 and October 5, 2006, the period prior to the Century acquisition.

(11) To reflect accrual of transaction fees not settled in cash at closing.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis should be read in conjunction with the financial statements and accompanying notes included in this prospectus.

Overview

Cinemark Holdings, Inc. was formed on August 2, 2006. On August 7, 2006, the Cinemark, Inc. stockholders entered into a share exchange agreement pursuant to which they agreed to exchange their shares of Class A common stock for an equal number of shares of common stock of Cinemark Holdings, Inc. The Cinemark Share Exchange and the Century Theatres, Inc. acquisition were completed on October 5, 2006. Prior to October 5, 2006, Cinemark Holdings, Inc. had no assets, liabilities or operations. On October 5, 2006, Cinemark, Inc. became a wholly owned subsidiary of Cinemark Holdings, Inc.

On April 2, 2004, an affiliate of MDP acquired approximately 83% of the capital stock of Cinemark, Inc., pursuant to which a newly formed subsidiary owned by an affiliate of MDP was merged into Cinemark, Inc. with Cinemark, Inc. continuing as the surviving corporation. Management, including Lee Roy Mitchell, Chairman and then Chief Executive Officer, retained approximately 17% ownership interest in Cinemark, Inc. In December 2004, MDP sold approximately 10% of its stock in Cinemark, Inc., to outside investors and in July 2005, Cinemark, Inc., issued an additional shares to another outside investor. As of December 31, 2005, MDP owned approximately 74% of Cinemark, Inc.'s capital stock, outside investors owned approximately 9%, Lee Roy Mitchell and the Mitchell Special Trust collectively owned approximately 16% and certain members of management owned the remaining 1%.

The consolidated financial statements have been prepared in contemplation of our initial public offering and reflect the change in reporting entity that occurred as a result of the Cinemark Share Exchange. Cinemark Holdings, Inc.'s consolidated financial statements reflect the historical accounting basis of its stockholders for all periods presented. Accordingly, the results of our operations and cash flows for the periods preceding the MDP Merger is presented as Predecessor and for the periods subsequent to the MDP Merger is presented as Successor.

We have prepared our discussion and analysis of the results of operations for the year ended December 31, 2005 by comparing those results with the results of operations of the Predecessor for the period January 1, 2004 to April 1, 2004 combined with the results of operations of the Successor for the period April 2, 2004 to December 31, 2004. Similarly, we have prepared our discussion and analysis of the results of operations for the year ended December 31, 2004 by comparing the results of operations of the Predecessor for the period January 1, 2004 to April 1, 2004 combined with the results of operations of the Successor for the period April 2, 2004 to December 31, 2004 with the results of operations for the year ended December 31, 2003. Although this combined presentation does not comply with GAAP we believe this presentation provides a meaningful method of comparison of the 2003, 2004 and 2005 results.

Unless otherwise specified, the Century acquisition is not reflected in this discussion and analysis since the transaction occurred subsequent to September 30, 2006.

Revenues and Expenses

We generate revenues primarily from box office receipts and concession sales with additional revenues from screen advertising sales and other revenue streams, such as vendor marketing programs, pay phones, ATM machines and electronic video games located in some of our theatres. We expect our recent investment in NCM to assist us in expanding our offerings to advertisers, exploring ancillary revenue sources such as digital video monitor advertising, third party branding, and the use of theatres for non-film events. In addition, we are able to use theatres during non-peak hours for concerts, sporting events, and other cultural events. Our revenues are affected by changes in attendance and average admissions and concession revenues per patron. Attendance is primarily affected by the quality and quantity of films released by motion picture studios.

Film rental costs are variable in nature and fluctuate with our admissions revenues. Film rental costs as a percentage of revenues are generally higher for periods in which more blockbuster films are released. Film rental costs can also vary based on the length of a film's run. Generally, a film that runs for a longer period results in lower film rental costs as a percentage of revenues. Film rental rates are negotiated on a film-by-film and theatre-by-theatre basis. Advertising costs, which are expensed as incurred, are primarily fixed at the theatre level as daily movie directories placed in newspapers represent the largest component of advertising costs. The monthly cost of these advertisements is based on, among other things, the size of the directory and the frequency and size of the newspaper's circulation.

Concession supplies expense is variable in nature and fluctuates with our concession revenues. We purchase concession supplies to replace units sold. We negotiate prices for concession supplies directly with concession vendors and manufacturers to obtain bulk rates.

Although salaries and wages include a fixed cost component (i.e. the minimum staffing costs to operate a theatre facility during non-peak periods), salaries and wages move in relation to revenues as theatre staffing is adjusted to handle changes in attendance.

Facility lease expense is primarily a fixed cost at the theatre level as most of our facility leases require a fixed monthly minimum rent payment. Certain of our leases are subject to percentage rent only while others are subject to percentage rent in addition to their fixed monthly rent if a target annual revenue level is achieved. Facility lease expense as a percentage of revenues is also affected by the number of leased versus fee owned facilities.

Utilities and other costs include certain costs that are fixed such as property taxes, certain costs that are variable such as liability insurance, and certain costs that possess both fixed and variable components such as utilities, repairs and maintenance and security services.

Critical Accounting Policies

We prepare our consolidated financial statements in conformity with accounting principles generally accepted in the United States of America. As such, we are required to make certain estimates and assumptions that we believe are reasonable based upon the information available. These estimates and assumptions affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the periods presented. The significant accounting policies, which we believe are the most critical to aid in fully understanding and evaluating our reported condensed consolidated financial results, include the following:

Revenue and Expense Recognition

Revenues are recognized when admissions and concession sales are received at the box office. We record proceeds from the sale of gift cards and other advanced sale-type certificates in current liabilities and recognize admissions and concession revenues when a holder redeems the card or certificate. We recognize unredeemed gift cards and other advanced sale-type certificates as revenue only after such a period of time indicates, based on historical experience, the likelihood of redemption is remote, and based on applicable laws and regulations. In evaluating the likelihood of redemption, we consider the period outstanding, the level and frequency of activity, and the period of inactivity. Other revenues primarily consist of screen advertising. Screen advertising revenues are recognized over the period that the related advertising is delivered on-screen or in-theatre pursuant to the specific terms of the agreements with the advertisers.

Film rental costs are accrued based on the applicable box office receipts and either the mutually agreed upon firm terms established prior to the opening of the picture or estimates of the final mutually agreed upon settlement, which occurs at the conclusion of the picture run, subject to the film licensing arrangement. Estimates are based on the expected success of a film over the length of its run in theatres. The success of a film can typically be determined a few weeks after a film is released when initial box office performance of the film is known. Accordingly, final settlements typically approximate estimates since initial box office receipts are known at the time the estimate is made. The final film settlement amount is negotiated at the conclusion of the film's run based upon how a film actually performs. If actual settlements are higher than those estimated, additional film rental costs are recorded at that time. We recognize advertising costs and any sharing arrangements with film distributors in the same accounting period. Our advertising costs are expensed as incurred.

Facility lease expense is primarily a fixed cost at the theatre level as most of our facility leases require a fixed monthly minimum rent payment. Certain of our leases are subject to monthly percentage rent only, which is accrued each month based on actual revenues. Certain of our other theatres require payment of percentage rent in addition to fixed monthly rent if a target annual revenue level is achieved. Percentage rent expense is recorded for these theatres on a monthly basis if the theatre's historical performance or forecasted performance indicates that the annual target will be reached. The estimate of percentage rent expense recorded during the year is based on a trailing twelve months of revenues. Once annual revenues are known, which is generally at the end of the year, the percentage rent expense is adjusted based on actual revenues.

Theatre properties and equipment are depreciated using the straight-line method over their estimated useful lives. In estimating the useful lives of our theatre properties and equipment, we have relied upon our experience with such assets and our historical replacement period. We periodically evaluate these estimates and assumptions and adjust them as necessary. Adjustments to the expected lives of assets are accounted for on a prospective basis through depreciation expense.

Impairment of Long-Lived Assets

We review long-lived assets for impairment on a quarterly basis or whenever events or changes in circumstances indicate the carrying amount of the assets may not be fully recoverable. We assess many factors including the following to determine whether to impair individual theatre assets:

- actual theatre level cash flows;
- future years budgeted theatre level cash flows;
- theatre property and equipment carrying values;
- theatre goodwill carrying values;
- amortizing intangible assets carrying values;
- the age of a recently built theatre;
- competitive theatres in the marketplace;
- the sharing of a marketplace with our other theatres;
- changes in foreign currency exchange rates;
- the impact of recent ticket price changes;
- available lease renewal options; and
- other factors considered relevant in our assessment of impairment of individual theatre assets.

Long-lived assets are evaluated for impairment on an individual theatre basis or a group basis if the group of theatres shares the same marketplace, which we believe is the lowest applicable level for which there are identifiable cash flows. The evaluation is based on the estimated undiscounted cash flows from continuing use through the remainder of the theatre's useful life. The remainder of the useful life correlates with the available remaining lease period, which includes the possibility of renewal periods, for leased properties and a period of twenty years for fee owned properties. If the estimated undiscounted cash flows are not sufficient to recover a long-lived asset's carrying value, we then compare the carrying value of the asset with its estimated fair value. Fair values are determined based on a multiple of cash flows, which was seven times for the evaluations performed during the years ended December 31, 2003, 2004 and 2005 and during the nine months ended September 30, 2006. When estimated fair value is determined to be lower than the carrying value of the long-lived asset, the asset is written down to its estimated fair value.

Goodwill

We evaluate goodwill for impairment annually at fiscal year-end and any time events or circumstances indicate the carrying amount of the goodwill may not be fully recoverable. We evaluate goodwill for impairment on an individual theatre basis, which is the lowest level of identifiable cash flows and the level at which goodwill is recorded. The evaluation is a two-step approach requiring us to compute the fair value of a theatre and compare it with its carrying value. If the carrying value exceeds fair value, a second step would be performed to measure the potential goodwill impairment. Fair value is determined based on a multiple of cash flows, which was seven times for the evaluations performed during the years ended December 31, 2003, 2004 and 2005.

Acquisitions

We account for acquisitions under the purchase method of accounting. The purchase method requires that we estimate the fair value of the assets and liabilities acquired and allocate consideration paid accordingly. For significant acquisitions, we obtain independent third party valuation studies for certain of the assets and liabilities acquired to assist us in determining fair value. The estimation of the fair values of the assets and liabilities acquired involves a number of estimates and assumptions that could differ materially from the actual amounts.

Income Taxes

We use an asset and liability approach to financial accounting and reporting for income taxes. Deferred income taxes are provided when tax laws and financial accounting standards differ with respect to the amount of income for a year and the bases of assets and liabilities. A valuation allowance is recorded to reduce the carrying amount of deferred tax assets unless it is more likely than not those assets will be realized. Income taxes are provided on unremitted earnings from foreign subsidiaries unless such earnings are expected to be indefinitely reinvested. Income taxes have also been provided for potential tax assessments. The related tax accruals are recorded in accordance with SFAS No. 5, "*Accounting for Contingencies.*" To the extent contingencies are probable and estimable, an accrual is recorded within current liabilities in the condensed consolidated balance sheet. To the extent tax accruals differ from actual payments or assessments, the accruals will be adjusted.

Recent Developments

Century Acquisition and New Senior Secured Credit Facility

Cinemark Holdings, Inc. was formed on August 2, 2006 to be the Delaware holding company of Cinemark, Inc. On October 5, 2006, we completed our acquisition of Century, a national theatre chain headquartered in San Rafael, California with 77 theatres and 1,017 screens in 12 states, for a purchase price of approximately $681 million and the assumption of approximately $360 million of debt of Century. Of the total purchase price, $150 million consisted of the issuance of shares of common stock of Cinemark Holdings, Inc.

In connection with the closing of the transaction, Cinemark USA, Inc. entered into a new senior secured credit facility, and used the proceeds of $1,120 million under the new term loan to fund the cash portion of the purchase price, to pay off approximately $360 million under Century's then existing senior credit facility and to repay in full outstanding amounts under Cinemark USA, Inc.'s former senior secured credit facility of approximately $253.5 million. We used approximately $53 million of our existing cash to fund the payment of the remaining portion of the purchase price and related transaction expenses. Additionally, we advanced approximately $17 million of cash to Century to satisfy working capital obligations.

National CineMedia

On October 12, 2006, NCM, Inc., the sole manager of National CineMedia, LLC, filed a registration statement for a proposed initial public offering with the Securities and Exchange Commission. NCM, Inc. disclosed that it intends to distribute the net proceeds from the proposed initial public offering to its current owners, in connection with modifying payment obligations for network access. There can be no guarantee that NCM, Inc. will complete its proposed initial public offering or that we will receive any proceeds from its offering.

Results of Operations

Set forth below is a summary of operating revenues and expenses, certain income statement items expressed as a percentage of revenues, average screen count and revenues per average screen for the three most recent years ended December 31, 2003, 2004 and 2005 and for the nine months ended September 30, 2005 and 2006.

	Year Ended December 31,			Nine Months Ended September 30,	
	2003	2004	2005	2005	2006
	(Dollars in millions, except screen related data)				
Operating Data (in millions)(1):					
Revenues:					
Admissions	$ 597.5	$ 647.0	$ 641.2	$ 470.5	$ 514.2
Concession	300.6	321.6	320.1	234.6	260.2
Other	52.8	55.6	59.3	41.9	54.7
Total revenues	$ 950.9	$ 1,024.2	$ 1,020.6	$ 747.0	$ 829.1
Cost of operations(2)(3):					
Film rentals and advertising	$ 324.9	$ 348.8	$ 347.7	$ 253.5	$ 275.0
Concession supplies	49.7	53.8	52.5	38.2	41.9
Salaries and wages	97.2	103.1	101.5	75.2	79.0
Facility lease expense	119.5	128.7	138.5	102.4	113.1
Utilities and other	110.8	113.0	123.8	90.9	100.9
Total cost of operations	$ 702.1	$ 747.4	$ 764.0	$ 560.2	$ 609.9
Operating data as a percentage of total revenues(1):					
Revenues:					
Admissions	62.8%	63.2%	62.8%	63.0%	62.0%
Concession	31.6	31.4	31.4	31.4	31.4
Other	5.6	5.4	5.8	5.6	6.6
Total revenues	100.0%	100.0%	100.0%	100.0%	100.0%
Cost of operations(2)(3):					
Film rentals and advertising	54.4%	53.9%	54.2%	53.9%	53.5%
Concession supplies	16.5	16.7	16.4	16.3	16.1
Salaries and wages	10.2	10.1	9.9	10.1	9.5
Facility lease expense	12.6	12.6	13.6	13.7	13.6
Utilities and other	11.7	11.0	12.1	12.2	12.2
Total cost of operations	73.8%	73.0%	74.9%	75.0%	73.6%
Average screen count (month end average)(1)	3,027	3,135	3,239	3,217	3,375
Revenues per average screen(1)	$ 314,178	$ 326,664	$ 315,104	$ 232,185	$ 245,649

(1) Results exclude the results of our two United Kingdom theatres and our eleven Interstate theatres sold during 2004. The results of operations for these theatres are included as discontinued operations for 2003 and 2004.

(2) All costs are expressed as a percentage of total revenues, except film rentals and advertising, which are expressed as a percentage of admissions revenues, and concession supplies, which are expressed as a percentage of concession revenues.

(3) Excludes depreciation and amortization.

Nine months ended September 30, 2006 and 2005

Revenues. Total revenues for the nine months ended September 30, 2006 increased to $829.1 million from $747.0 million for the nine months ended September 30, 2005, representing an 11.0% increase. The table below summarizes our year-over-year revenue performance and certain key performance indicators that impact our revenues.

	Nine Months Ended September 30,		
	2005	2006	% Change
Admissions revenues (in millions)	$ 470.5	$ 514.2	9.3%
Concession revenues (in millions)	$ 234.6	$ 260.2	10.9%
Other revenues (in millions)	$ 41.9	$ 54.7	30.5%
Total revenues (in millions)	$ 747.0	$ 829.1	11.0%
Attendance (in millions)	123.5	128.5	4.0%
Average ticket price	$ 3.81	$ 4.00	5.1%
Concession revenues per patron	$ 1.90	$ 2.03	6.7%
Revenues per screen	$ 232,185	$ 245,649	5.8%

The increase in admissions revenues was attributable to a 4.0% increase in attendance from 123.5 million patrons for the nine months ended September 30, 2005 to 128.5 million patrons for the nine months ended September 30, 2006 and a 5.1% increase in average ticket price, which increased from $3.81 for the nine months ended September 30, 2005 to $4.00 for the nine months ended September 30, 2006. The increase in concession revenues was attributable to the 4.0% increase in attendance and a 6.7% increase in concession revenues per patron, which increased from $1.90 for the nine months ended September 30, 2005 to $2.03 for the nine months ended September 30, 2006. The increase in attendance was attributable to the solid slate of films released during the nine months ended September 30, 2006 and new theatre openings. The increases in average ticket price and concession revenues per patron were primarily due to price increases implemented during the fourth quarter of 2005 and also due to favorable exchange rates in certain countries in which we operate. The 30.5% increase in other revenues was primarily attributable to the incremental screen advertising revenues resulting from the Company's participation in the joint venture with NCM.

Cost of Operations (Excludes Depreciation and Amortization). Cost of operations was $609.9 million, or 73.6% of revenues, for the nine months ended September 30, 2006 compared to $560.2 million, or 75.0% of revenues, for the nine months ended September 30, 2005. The decrease, as a percentage of revenues, was primarily due to the 11.0% increase in revenues and the fixed nature of some of our theatre operating costs, such as components of salaries and wages, facility lease expense, and utilities and other costs.

Film rentals and advertising costs were $275.0 million, or 53.5% of admissions revenues, for the nine months ended September 30, 2006 compared to $253.5 million, or 53.9% of admissions revenues, for the nine months ended September 30, 2005. The decrease in film rentals and advertising costs as a percentage of admissions revenues was due to a more favorable mix of films resulting in lower average film rental rates in the nine months ended September 30, 2006 compared with the nine months ended September 30, 2005 which had certain films with higher than average film rental rates. Concession supplies expense was $41.9 million, or 16.1% of concession revenues, for the nine months ended September 30, 2006 compared to $38.2 million, or 16.3% of concession revenues, for the nine months ended September 30, 2005.

Salaries and wages increased to $79.0 million for the nine months ended September 30, 2006 from $75.2 million for the nine months ended September 30, 2005 primarily due to the 4.0% increase in attendance and new theatre openings. Facility lease expense increased to $113.1 million for the nine months ended September 30, 2006 from $102.4 million for the nine months ended September 30, 2005 primarily due to new theatre openings. Utilities and other costs increased to $100.9 million for the nine months ended September 30, 2006 from $90.9 million for the nine months ended September 30, 2005 primarily due to higher utility and janitorial supplies costs and new theatre openings.

General and Administrative Expenses. General and administrative expenses increased to $46.0 million for the nine months ended September 30, 2006 from $38.0 million for the nine months ended September 30, 2005. The increase was primarily due to increased incentive compensation expense and stock option compensation expense related to the adoption of SFAS No. 123(R). See note 4 to our interim consolidated financial statements.

Depreciation and Amortization. Depreciation and amortization expense, including amortization of net favorable leases, was $64.5 million for the nine months ended September 30, 2006 compared to $64.1 million for the nine months ended September 30, 2005. The increase is primarily due to new theatre openings.

Impairment of Long-Lived Assets. We recorded asset impairment charges on assets held and used of $5.2 million for the nine months ended September 30, 2006 compared to $2.9 million for the nine months ended September 30, 2005. Impairment charges for 2006 and 2005 included the write-down of certain theatres to their fair values.

Loss on Sale of Assets and Other. We recorded a loss on sale of assets and other of $5.3 million during the nine months ended September 30, 2006 compared to $2.9 million during the nine months ended September 30, 2005. The loss recorded during 2006 primarily related to a loss on the exchange of a theatre in the United States with a third party, lease termination fees incurred due to theatre closures and the replacement of certain theatre assets. The loss recorded during 2005 was primarily due to property damages sustained at three of our theatres due to hurricanes along the Gulf of Mexico coast and the write-off of some theatre equipment that was replaced.

Interest Expense. Interest costs incurred, including amortization of debt issue costs, was $67.1 million for the nine months ended September 30, 2006 compared to $62.0 million for the nine months ended September 30, 2005. The increase was due to increased interest rates on our variable rate debt outstanding.

Loss on Early Retirement of Debt. During the nine months ended September 30, 2006, we recorded a loss on early retirement of debt of $2.5 million as a result of the repurchase of $10.0 million aggregate principal amount of our 9% senior subordinated notes and the repurchase of $39.8 million aggregate principal amount at maturity of our 9$^{3}/_{4}$% senior discount notes. See note 6 to our interim consolidated financial statements.

Income Taxes. Income tax expense of $9.6 million was recorded for the nine months ended September 30, 2006 compared to $7.0 million recorded for the nine months ended September 30, 2005. The effective tax rate was 31.1% for the nine months ended September 30, 2006 versus 35.8% for the nine months ended September 30, 2005. Income tax provisions for interim (quarterly) periods are based on estimated annual income tax rates and are adjusted for the effect of significant infrequent or unusual items occurring during the interim period. As a result of the full inclusion in the interim rate calculation of these items, the interim rate may vary significantly from the normalized annual rate. The interim tax rate for the nine months ended September 30, 2006 reflects the release of the valuation allowance on our Brazilian deferred tax assets.

Comparison of Years Ended December 31, 2005 and December 31, 2004

Revenues. Total revenues for 2005 decreased to $1,020.6 million from $1,024.2 million for 2004, representing a 0.4% decrease. The table below summarizes our year-over-year revenue performance and certain key performance indicators that impact our revenues.

	Year Ended December 31,		
	2004	2005	% Change
Admissions revenues (in millions)	$ 647.0	$ 641.2	(0.9)%
Concession revenues (in millions)	$ 321.6	$ 320.1	(0.5)%
Other revenues (in millions)	$ 55.6	$ 59.3	6.7%
Total revenues (in millions)	$ 1,024.2	$ 1,020.6	(0.4)%
Attendance (in millions)	179.3	165.7	(7.6)%
Average ticket price	$ 3.61	$ 3.87	7.2%
Concession revenues per patron	$ 1.79	$ 1.93	7.8%
Revenues per screen	$ 326,664	$ 315,104	(3.6)%

The decline in admissions revenues was due to the 7.6% decline in attendance partially offset by the 7.2% increase in average ticket prices. The decline in concession revenues was also attributable to the decline in attendance partially offset by the 7.8% increase in concession revenues per patron. The decline in attendance for 2005 was primarily due to the decline in the quality of films released during 2005 compared to 2004. The increases in average ticket prices and concession revenues per patron were primarily due to price increases and also due to favorable exchange rates in certain countries in which we operate.

Cost of Operations (Excludes Depreciation and Amortization). Cost of operations was $764.0 million, or 74.9% of revenues, for 2005 compared to $747.4 million, or 73.0% of revenues, for 2004. The increase, as a percentage of revenues, was primarily due to the decrease in revenues and the fixed nature of some of our theatre operating costs, such as components of facility lease expense and utilities and other costs.

Film rentals and advertising costs were $347.7 million, or 54.2% of admissions revenues, for 2005 compared to $348.8 million, or 53.9% of admissions revenues, for 2004. The increase in film rentals and advertising costs as a percentage of admissions revenues was primarily related to the high film rental costs associated with certain blockbuster films released during 2005. Concession supplies expense was $52.5 million, or 16.4% of concession revenues, for 2005 compared to $53.8 million, or 16.7% of concession revenues, for 2004. The decrease in concession supplies expense as a percentage of concession revenues was primarily due to concession price increases and an increase in concession rebates received from certain vendors.

Salaries and wages decreased to $101.5 million for 2005 from $103.1 million for 2004 primarily due to strategic reductions in certain variable salaries and wages related to the decrease in attendance. Facility lease expense increased to $138.5 million for 2005 from $128.7 million for 2004 primarily due to new theatre openings. Utilities and other costs increased to $123.8 million for 2005 from $113.0 million for 2004 primarily due to higher utility costs and new theatre openings.

General and Administrative Expenses. General and administrative expenses decreased to $50.9 million for 2005 from $51.7 million for 2004. The decrease was primarily due to a reduction in incentive compensation expense.

Stock Option Compensation and Change of Control Expenses related to the MDP Merger. Stock option compensation expense of $16.3 million and change of control fees of $15.7 million were recorded during 2004 as a result of the MDP Merger. See note 3 to our annual consolidated financial statements.

Depreciation and Amortization. Depreciation and amortization expense, including amortization of net favorable leases, was $86.1 million for 2005 compared to $78.2 million for 2004. The increase was primarily due to the amortization of intangible assets recorded during April 2004 as a result of the MDP Merger, new theatre openings during the latter part of 2004 and 2005 and amortization of intangible assets recorded as a result of the final purchase price allocations for the Brazil and Mexico acquisitions. See note 4 to our annual consolidated financial statements.

Impairment of Long-Lived Assets. We recorded asset impairment charges on long-lived assets held and used of $51.7 million during 2005 and $37.7 million during 2004. Impairment charges for 2005 and 2004 included the write-down of certain theatres to their fair values. Impairment charges for 2005 consisted of $6.4 million of theatre properties and $45.3 million of goodwill associated with theatre properties. Impairment charges for 2004 consisted of $2.0 million of theatre properties and $35.7 million of goodwill associated with theatre properties. During 2004, we recorded $620.5 million of goodwill as a result of the MDP Merger. We record goodwill at the theatre level which, particularly with the significant increase in goodwill from the MDP Merger, results in more volatile impairment charges on an annual basis due to changes in market conditions. Significant judgement is involved in estimating cash flows and fair value. Management's estimates are based on historical and projected operating performance as well as recent market transactions. See notes 8 and 9 to our annual consolidated financial statements.

Loss on Sale of Assets and Other. We recorded a loss on sale of assets and other of $4.4 million during 2005 and $3.1 million during 2004. The loss recorded during 2005 was primarily due to property damages sustained at certain of our theatres due to the recent hurricanes along the Gulf of Mexico coast and the write-off of theatre equipment that was replaced. The loss recorded during 2004 consisted of a loss on sale of a land parcel, the write-off of a license agreement that was terminated, the write-off of theatre equipment that was replaced, and the write-off of theatre equipment and goodwill associated with theatres that closed during the year.

Interest Expense. Interest costs incurred, including amortization of debt issue costs, was $84.1 million for 2005 compared to $70.7 million for 2004. The increase in interest expense is due to the issuance of the 9$^{3}/_{4}$% senior discount notes on March 31, 2004, the amortization of the related debt issue costs and an increase in average interest rates on our variable rate debt.

Interest Income. Interest income of $6.6 million was recorded for 2005 compared to $2.0 million for 2004. The increase in interest income is due to increased cash balances and increased average interest rates earned on such balances.

Loss on Early Retirement of Debt. During the 2004 period, we recorded a loss on early retirement of debt of $3.3 million, which represented the write-off of unamortized debt issue costs, unamortized bond discount, tender offer repurchase costs, including premiums paid, and other fees associated with the repurchase and subsequent retirement of our 8$^{1}/_{2}$% senior subordinated notes and a portion of our 9% senior subordinated notes related to the MDP Merger. See note 11 to our annual consolidated financial statements.

Income Taxes. Income tax expense of $9.4 million was recorded for 2005 compared to $14.6 million recorded for 2004. The 2005 and 2004 effective tax rates reflect the impact of purchase accounting adjustments and related goodwill impairment charges resulting from the MDP Merger. See Note 17 to our annual consolidated financial statements.

Income from Discontinued Operations, Net of Taxes. We recorded income from discontinued operations, net of taxes, of $2.6 million during 2004. The income for 2004 includes the results of operations of our two United Kingdom theatres that were sold on April 30, 2004, the loss on sale of the two United Kingdom theatres, the results of operations of the eleven Interstate theatres that were sold on December 23, 2004 and the gain on sale of the Interstate theatres. See note 6 to our annual consolidated financial statements.

Comparison of Years Ended December 31, 2004 and December 31, 2003

Revenues. Total revenues for 2004 increased to $1,024.2 million from $950.9 million for 2003, representing a 7.7% increase. The table below summarizes our year-over-year revenue performance and certain key performance indicators that impact our revenues.

	Year Ended December 31,		
	2003	2004	% Change
Admissions revenues (in millions)	$ 597.5	$ 647.0	8.3%
Concession revenues (in millions)	$ 300.6	$ 321.6	7.0%
Other revenues (in millions)	$ 52.8	$ 55.6	5.3%
Total revenues (in millions)	$ 950.9	$ 1,024.2	7.7%
Attendance (in millions)	173.1	179.3	3.6%
Average ticket price	$ 3.45	$ 3.61	4.6%
Concession revenues per patron	$ 1.74	$ 1.79	2.9%
Revenues per screen	$ 314,178	$ 326,664	4.0%

Admissions revenues increased 8.3% to $647.0 million for 2004 from $597.5 million for 2003. Concession revenues increased 7.0% to $321.6 million for 2004 from $300.6 million for 2003. The increased revenues were partially attributable to a 3.6% increase in attendance from 173.1 million patrons for 2003 to 179.3 million patrons for 2004. The increase in attendance for 2004 was primarily due to new theatre openings and quality film product, including the successful release of *Shrek 2*, *The Passion of the Christ*, *Spider-Man 2, Harry Potter and the Prisoner of Azkaban* and *The Incredibles* during 2004. In addition, our average ticket price increased from $3.45 for 2003 to $3.61 for 2004 and our concession revenues per patron increased from $1.74 for 2003 to $1.79 for 2004. Revenues per screen increased 4.0% to $326,664 for 2004 from $314,178 for 2003.

Cost of Operations (Excludes Depreciation and Amortization). Cost of operations was $747.4 million, or 73.0% of revenues, for 2004 compared to $702.1 million, or 73.8% of revenues, for 2003. The decrease in cost of operations as a percentage of revenues was primarily due to the 7.7% increase in revenues and the fixed nature of some of our theatre operating costs, such as components of salaries and wages, facility lease expense, and utilities and other costs.

Film rentals and advertising costs were $348.8 million, or 53.9% of admissions revenues, for 2004 compared to $324.9 million, or 54.4% of admissions revenues, for 2003. The decrease in film rentals and advertising costs as a percentage of admissions revenues was due in part to the increase in international business, which generally has lower film rental rates, and also due to the long successful run of certain high-grossing films during 2004. Concession supplies expense increased to 16.7% of concession revenues for 2004 from 16.5% for 2003 primarily due to an increase in international business, which generally has higher concession supplies costs.

Salaries and wages increased to $103.1 million for 2004 from $97.2 million for 2003 primarily due to new theatre openings and the increase in attendance. Facility lease expense increased to $128.7 million for 2004 from $119.5 million for 2003 primarily due to new theatre openings and increased percentage rent expense. Utilities and other costs increased to $113.0 million for 2004 from $110.8 million for 2003 primarily due to new theatre openings and increased utility rates in certain regions in which we operate.

General and Administrative Expenses. General and administrative expenses increased to $51.7 million for 2004 from $44.3 million for 2003. The increase was primarily due to increases in salary and incentive compensation expense of approximately $4.7 million and legal fees of approximately $2.2 million.

Stock Option Compensation and Change of Control Expenses related to the MDP Merger. Stock option compensation expense of $16.3 million and change of control fees of $15.7 million were recorded during 2004 as a result of the MDP Merger. See note 3 to our annual consolidated financial statements.

Depreciation and Amortization. Depreciation and amortization expense, including amortization of net favorable leases, was $78.2 million for 2004 compared to $65.1 million for 2003. The increase is primarily due to the amortization of intangible assets recorded during April 2004 as a result of the MDP Merger, new theatre openings the latter part of 2003 and 2004.

Impairment of Long-Lived Assets. We recorded asset impairment charges on assets held and used of $37.7 million in 2004 and $5.0 million in 2003. Impairment charges for 2004 and 2003 included the write-down of certain theatres to their fair values. Impairment charges for 2004 included $2.0 million for theatre properties and $35.7 million for goodwill associated with theatre properties. Impairment charges for 2003 included $4.8 million for theatre properties and $0.2 million for goodwill associated with theatre properties. During 2004, we recorded $620.5 million of goodwill as a result of the MDP Merger. We record goodwill at the theatre level which, particularly with the significant increase in goodwill from the MDP Merger, results in more volatile impairment charges on an annual basis due to changes in market conditions. Significant judgement is involved in estimating cash flows and fair value. Management's estimates are based on historical and projected operating performance as well as recent market transactions. See notes 8 and 9 to our annual consolidated financial statements.

(Gain) Loss on Sale of Assets and Other. We recorded a loss on sale of assets and other of $3.1 million in 2004 compared to a gain on sale of assets and other of $1.2 million during 2003. The loss recorded during 2004 consisted of a loss on sale of a land parcel, the write-off of a license agreement that was terminated, the write-off of theatre equipment that was replaced, and the write-off of theatre equipment and goodwill associated with theatres that closed during the year. The gain recorded during 2003 primarily consisted of gains on the sale of land parcels and the recovery of a construction deposit previously written off.

Interest Expense. Interest costs incurred, including amortization of debt issue costs, was $70.7 million for 2004 compared to $54.2 million for 2003. The increase is due to the issuance of the 9 3/4% senior discount notes on March 31, 2004 and the amortization of the related debt issue costs.

Loss on Early Retirement of Debt. During 2004, we recorded a loss on early retirement of debt of $3.3 million, which represented the write-off of unamortized debt issuance costs, unamortized bond discount, tender offer repurchase costs, including premiums paid, and other fees associated with the repurchase and subsequent retirement of our 8 1/2% senior subordinated notes and a portion of our 9% senior subordinated notes related to the MDP Merger. During the 2003 period, we recorded a loss on early retirement of debt of $7.5 million, which related to the write-off of unamortized debt issue costs, unamortized bond premiums/discounts and tender offer repurchase costs, including premiums paid, and other fees associated with the retirement of certain debt agreements, including our former 9 5/8% senior subordinated notes, and the refinancing of our then existing credit facility. See note 11 to our annual consolidated financial statements.

Income Taxes. Income tax expense of $14.6 million was recorded for 2004 compared to $25.0 million recorded for 2003. The 2003 effective tax rate was 34.6%. The 2004 effective tax rate reflects the impact of purchase accounting adjustments and related goodwill impairment charges resulting from the MDP Merger. See Note 17 to our annual consolidated financial statements.

Income (Loss) from Discontinued Operations, Net of Taxes. We recorded income from discontinued operations, net of taxes, of $2.6 million during 2004 and a loss from discontinued operations, net of taxes, of $2.7 million during 2003. The income for 2004 includes the results of operations of our two United Kingdom theatres that were sold on April 30, 2004, the loss on sale of the United Kingdom theatres, the results of operations of the eleven Interstate theatres that were sold on December 23, 2004 and the gain on sale of the Interstate theatres, all of which are presented net of taxes. The loss recorded for 2003 primarily includes the results of operations of our United Kingdom theatres, including an asset impairment charge of $2.5 million. See note 6 to our annual consolidated financial statements.

Liquidity and Capital Resources

Operating Activities

We primarily collect our revenues in cash, mainly through box office receipts and the sale of concession supplies. We also continue to expand the number of theatres that provide the patron a choice of using a credit card, in place of cash, which we convert to cash in approximately three to four days. Because our revenues are received in cash prior to the payment of related expenses, we have an operating "float" and historically have not required traditional working capital financing. Cash provided by operating activities amounted to $135.5 million, $123.1 million and $165.3 million for the years ended December 31, 2003, 2004 and 2005, respectively, and $84.1 million and $80.4 million for the nine months ended September 30, 2005 and 2006, respectively.

Investing Activities

Our investing activities have been principally related to the development and acquisition of additional theatres. New theatre openings and acquisitions historically have been financed with internally generated cash and by debt financing, including borrowings under our senior secured credit facility. Cash used for investing activities, as reflected in the consolidated statements of cash flows, amounted to $47.2 million, $116.9 million and $81.6 million for the years ended December 31, 2003, 2004 and 2005, respectively, and $53.5 million and $76.4 million for the nine months ended September 30, 2005 and 2006, respectively.

Capital expenditures for the years ended December 31, 2003, 2004 and 2005 and the nine months ended September 30, 2005 and 2006 were as follows (in millions):

Period	New Theatres	Existing Theatres	Total
Year Ended December 31, 2003	$ 33.7	$ 17.3	$ 51.0
Year Ended December 31, 2004	$ 61.5	$ 19.5	$ 81.0
Year Ended December 31, 2005	$ 50.3	$ 25.3	$ 75.6
Nine Months Ended September 30, 2005	$ 33.8	$ 13.9	$ 47.7
Nine Months Ended September 30, 2006	$ 52.1	$ 25.8	$ 77.9

During July 2005, we purchased a 20.7% interest in NCM for approximately $7.3 million. Under the terms of the Exhibitor Services Agreement with NCM, we installed digital distribution technology in certain of our domestic theatres, which resulted in capital expenditures of $9.7 million during the year ended December 31, 2005 and $11.3 million during the nine months ended September 30, 2006. As a result of the Century acquisition, we own approximately 25% of NCM and have committed to install digital distribution technology in the majority of the theatres acquired, which we estimate will result in capital expenditures of approximately $6.5 million over the next nine months.

During August 2004, our Brazilian partners exercised their option to cause us to purchase all of their shares of common stock of Cinemark Brasil S.A., which represented 47.2% of total common stock of Cinemark Brasil S.A. We purchased the partners' shares of Cinemark Brasil S.A. for approximately $45.0 million with available cash on August 18, 2004. See note 4 to our annual consolidated financial statements for further discussion of this acquisition.

During September 2004, we purchased shares of common stock of Cinemark Mexico USA, Inc. from our Mexican partners, increasing our ownership interest in this subsidiary from 95.0% to 99.4%. The purchase price was approximately $5.4 million and was funded with available cash and borrowings on our revolving credit line of our former senior secured credit facility. See note 4 to our annual consolidated financial statements for further discussion of this acquisition.

We continue to expand our U.S. theatre circuit. We opened ten new theatres with 121 screens and acquired one theatre with 12 screens in an exchange for one of our theatres with 16 screens during the nine months ended September 30, 2006. At September 30, 2006, our total domestic screen count was 2,468 screens (12 of which are in Canada). At September 30, 2006, we had signed commitments to open four new theatres with 58 screens in domestic markets by the end of 2006 and open six new theatres with 90 screens subsequent to 2006. In connection with the Century acquisition, we acquired 77 theatres with 1,017 screens in 12 states for a purchase price of approximately $681 million and the assumption of approximately $360 million of debt of Century. Upon the acquisition of Century, we acquired additional commitments to open 12 theatres with 196 screens in domestic markets subsequent to 2006. We estimate the remaining capital expenditures for the development of all of the 344 domestic screens will be approximately $136 million. Actual expenditures for continued theatre development and acquisitions are subject to change based upon the availability of attractive opportunities.

We also continue to expand our international theatre circuit. We opened five new theatres with 33 screens during the nine months ended September 30, 2006, bringing our total international screen count to 945 screens. At September 30, 2006, we had signed commitments to open two new theatres with 20 screens in international markets by the end of 2006 and open six new theatres with 48 screens subsequent to 2006. We estimate the remaining capital expenditures for the development of these 68 screens in international markets will be approximately $26 million. Actual expenditures for continued theatre development and acquisitions are subject to change based upon the availability of attractive opportunities.

We plan to fund capital expenditures for our continued development with cash flow from operations, borrowings under our new senior secured credit facility, subordinated note borrowings, proceeds from sale-leaseback transactions and/or sales of excess real estate.

Financing Activities

Cash used for financing activities, as reflected in the consolidated statements of cash flows, amounted to $45.7 million, $14.4 million and $3.8 million during the years ended December 31, 2003, 2004 and 2005, respectively, and $1.5 million and $44.3 million during the nine months ended September 30, 2005 and 2006, respectively.

We may from time to time, subject to compliance with our debt instruments, purchase on the open market our debt securities depending upon the availability and prices of such securities.

As of September 30, 2006, our long-term debt obligations, scheduled interest payments on long-term debt, future minimum lease obligations under non-cancelable operating and capital leases, scheduled interest payments under capital leases, outstanding letters of credit, obligations under employment agreements and purchase commitments for each period indicated are summarized, on a historical basis and on a pro forma basis to give effect to the Century acquisition, as follows:

	Payments Due by Period				
Contractual Obligations	Total	Less Than One Year	1 - 3 Years	4 - 5 Years	After 5 Years
			(In millions)		
Long-term debt(1)	$ 1,150.7	$ 5.5	$ 11.1	$ 247.2	$ 886.9
Scheduled interest payments on long-term debt(2)	561.5	49.0	111.7	182.1	218.7
Lease obligations under operating leases	1,511.6	128.3	259.5	245.9	877.9
Letters of credit	0.1	0.1	—	—	—
Employment agreements	9.3	3.1	6.2	—	—
Purchase commitments(3)	66.8	18.5	46.6	1.1	0.6
Total obligations	$ 3,300.0	$ 204.5	$ 435.1	$ 676.3	$ 1,984.1

	Pro Forma Payments Due by Period				
	Total	Less Than One Year	1 - 3 Years	4 - 5 Years	After 5 Years
			(In millions)		
Long-term debt(1)	$ 2,017.2	$ 14.1	$ 28.3	$ 23.9	$ 1,950.9
Scheduled interest payments on long-term debt(2)	1,004.9	112.3	236.4	321.7	334.5
Lease obligations under operating leases	1,954.1	160.0	325.3	313.1	1,155.7
Lease obligations under capital leases	116.7	3.5	8.2	9.5	95.5
Scheduled interest payments under capital leases	122.2	12.5	23.7	22.2	63.8
Letters of credit	0.1	0.1	—	—	—
Employment agreements	9.3	3.1	6.2	—	—
Purchase commitments(3)	169.8	18.5	149.6	1.1	0.6
Total	$ 5,394.3	$ 324.1	$ 777.7	$ 691.5	$ 3,601.0

(1) Includes the 9 3/4% senior discount notes in the aggregate principal amount at maturity of $535.6 million.

(2) Amounts include scheduled interest payments on fixed rate and variable rate debt agreements. Estimates for the variable rate interest payments were based on interest rates in effect on September 30, 2006. The average interest rates on our fixed rate and variable rate debt were 9.5% and 7.3%, respectively, as of September 30, 2006.

(3) Includes estimated capital expenditures associated with the construction of new theatres to which we were committed as of September 30, 2006.

As of September 30, 2006, we were in full compliance with all agreements governing our outstanding debt.

Cinemark, Inc. 9 3/4% Senior Discount Notes

On March 31, 2004, Cinemark, Inc. issued approximately $577.2 million aggregate principal amount at maturity of 9 3/4% senior discount notes due 2014. The gross proceeds at issuance of approximately $360.0 million were used to fund in part the merger between Cinemark, Inc. and a subsidiary of MDP that occurred on April 2, 2004. Interest on the notes accretes until March 15, 2009, up to their aggregate principal amount. Cash interest will accrue and be payable semi-annually in arrears on March 15 and September 15, commencing on September 15, 2009. Cinemark, Inc. may redeem all or part of the 9 3/4% senior discount notes on or after March 15, 2009.

On September 22, 2005, Cinemark, Inc. repurchased $1.8 million aggregate principal amount at maturity of its 9 3/4% senior discount notes as part of an open market purchase for approximately $1.3 million, including accreted interest. During May 2006, as part of four open market purchases, Cinemark, Inc. repurchased $39.8 million aggregate principal amount at maturity of its 9 3/4% senior discount notes for approximately $31.7 million. Cinemark, Inc. funded these transactions with available cash from its operations. As a result of these transactions, Cinemark, Inc. recorded a loss on early retirement of debt of approximately $2.4 million during the nine months ended September 30, 2006, which included premiums paid and the write-off of unamortized debt issue costs related to the retired senior discount notes. As of September 30, 2006, the accreted principal balance of the notes was approximately $423.9 million and the aggregate principal amount at maturity will be approximately $535.6 million.

The indenture governing the 9 3/4% senior discount notes contains covenants that limit, among other things, dividends, transactions with affiliates, investments, sales of assets, mergers, repurchases of our capital stock, liens and additional indebtedness. The dividend restriction contained in the indenture prevents Cinemark, Inc. from paying a dividend or otherwise distributing cash to its stockholders unless (1) it is not in default, and the distribution would not cause it to be in default, under the indenture; (2) it would be able to incur at least $1.00 more of indebtedness without the ratio of its consolidated cash flow to its fixed charges (each as defined in the indenture, and calculated on a pro forma basis for the most recently ended four full fiscal quarters for which internal financial statements are available, using certain assumptions and modifications specified in the indenture, and including the additional indebtedness then being incurred) falling below two to one (the "senior notes debt incurrence ratio test"); and (3) the aggregate amount of distributions made since March 31, 2004, including the distribution proposed, is less than the sum of (a) half of its consolidated net income (as defined in the indenture) since February 11, 2003, (b) the net proceeds to it from the issuance of stock since April 2, 2004, and (c) certain other amounts specified in the indenture, subject to certain adjustments specified in the indenture. The divided restriction is subject to certain exceptions specified in the indenture.

Upon certain specified types of change of control of Cinemark, Inc., Cinemark, Inc. would be required under the indenture to make an offer to repurchase all of the 9 3/4% senior discount notes at a price equal to 101% of the accreted value of the notes plus accrued and unpaid interest, if any, through the date of repurchase. This initial public offering is not considered a change of control under the indenture.

The indenture governing the 9 3/4% senior discount notes allows Cinemark, Inc. to incur additional indebtedness if it satisfies the senior notes debt incurrence ratio test described above, and in certain other circumstances. Cinemark USA, Inc. and its subsidiaries have no obligation, contingent or otherwise, to pay the amounts due under the 9 3/4% senior discount notes or to make funds available to pay those amounts.

Cinemark USA, Inc. 9% Senior Subordinated Notes

On February 11, 2003, Cinemark USA, Inc. issued $150 million principal amount of 9% senior subordinated notes due 2013 and on May 7, 2003, Cinemark USA, Inc. issued an additional $210 million aggregate principal amount of 9% senior subordinated notes due 2013, collectively referred to as the 9% senior subordinated notes. Interest is payable on February 1 and August 1 of each year.

On April 6, 2004, as a result of the MDP Merger and in accordance with the terms of the indenture governing the 9% senior subordinated notes, Cinemark USA, Inc. made a change of control offer to purchase the 9% senior subordinated notes at a purchase price of 101% of the aggregate principal amount. Approximately $17.8 million aggregate principal amount of the 9% senior subordinated notes were tendered. The payment of the change of control price was funded with available cash by Cinemark USA, Inc. on June 1, 2004. Cinemark USA, Inc. recorded a loss on early retirement of debt of $0.8 million related to unamortized bond premium, unamortized debt issue costs, tender offer repurchase costs, including premiums paid and other fees.

During May 2006, as part of three open market purchases, Cinemark USA, Inc. repurchased $10.0 million aggregate principal amount of its 9% senior subordinated notes for approximately $11.0 million, including accrued and unpaid interest. The transactions were funded by Cinemark USA, Inc. with available cash from operations. As a result of the transactions, Cinemark USA, Inc. recorded a loss on early retirement of debt of $0.1 million during the nine months ended September 30, 2006, which included premiums paid and the write-off of unamortized debt issue costs related to the retired senior subordinated notes.

As of September 30, 2006, Cinemark USA, Inc. had outstanding approximately $332.3 million aggregate principal amount of 9% senior subordinated notes. Cinemark USA, Inc. may redeem all or part of the 9% senior subordinated notes on or after February 1, 2008.

The 9% senior subordinated notes are general, unsecured obligations and are subordinated in right of payment to the new senior secured credit facility and other senior indebtedness. The notes are guaranteed by certain of Cinemark USA, Inc.'s domestic subsidiaries. The guarantees are subordinated to the senior indebtedness of the subsidiary guarantors, including their guarantees of the new senior secured credit facility. The notes are effectively subordinated to the indebtedness and other liabilities of Cinemark USA, Inc.'s non-guarantor subsidiaries.

The indenture governing the 9% senior subordinated notes contains covenants that limit, among other things, dividends, transactions with affiliates, investments, sales of assets, mergers, repurchases of our capital stock, liens and additional indebtedness. The dividend restriction contained in the indenture prevents Cinemark USA, Inc. from paying a dividend or otherwise distributing cash to its capital stockholders unless (1) it is currently not in default, and the distribution would not cause it to be in default, under the indenture; (2) it would be able to incur at least $1.00 more of indebtedness without the ratio of its EBITDA (as defined in the indenture) for the four full fiscal quarters prior to the incurrence of such indebtedness to the amount of its consolidated interest expense (as defined in the indenture) for the quarter in which the indebtedness is incurred and the following three fiscal quarters (each calculated on a pro forma basis using certain assumptions and modifications specified in the indenture, and including the additional indebtedness then being incurred) falling below two to one (the "senior sub notes debt incurrence ratio test"); and (3) the aggregate amount of distributions made since February 11, 2003, including the distribution currently proposed, is less than the sum of (a) half of its consolidated net income (as defined in the indenture) since February 11, 2003, (b) the net proceeds to it from the issuance of stock since February 11, 2003, and (c) certain other amounts specified in the indenture, subject to certain adjustments specified in the indenture. The dividend restriction is subject to certain exceptions specified in the indenture.

Upon certain specified types of change of control of Cinemark USA, Inc., Cinemark USA, Inc. would be required under the indenture to make an offer to repurchase all of the 9% senior subordinated notes at a price equal to 101% of the aggregate principal amount outstanding plus accrued and unpaid interest through the date of repurchase. This initial public offering is not considered a change of control under the indenture.

The indenture governing the 9% senior subordinated notes allows Cinemark USA, Inc. to incur additional indebtedness if it satisfies the senior sub notes debt incurrence ratio test described above, and in certain other circumstances.

Debt Transactions in Connection with MDP Merger

On March 16, 2004, in connection with the MDP Merger, Cinemark USA, Inc. initiated a tender offer for its then outstanding $105 million aggregate principal amount 8 $^{1}/_{2}$% senior subordinated notes due 2008 and a consent solicitation to remove substantially all restrictive covenants in the indenture governing those notes. On March 25, 2004, a supplemental indenture removing substantially all of the covenants was executed and became effective on the date of the MDP Merger. In April 2004, Cinemark USA, Inc. redeemed approximately $94.2 million aggregate principal amount of 8 $^{1}/_{2}$% senior subordinated notes that were tendered, pursuant to the tender offer, utilizing a portion of the proceeds from its former senior secured credit facility. On April 14, 2004, after the expiration of the tender offer, Cinemark USA, Inc. redeemed an additional $50,000 aggregate principal amount of 8 $^{1}/_{2}$% senior subordinated notes that were tendered, leaving outstanding approximately $10.8 million aggregate principal amount of 8 $^{1}/_{2}$% senior subordinated notes.

On April 6, 2004, as a result of the consummation of the MDP Merger and in accordance with the terms of the indenture governing its 9% senior subordinated notes, Cinemark USA, Inc. made a change of control offer to purchase the 9% senior subordinated notes at a purchase price of 101% of the aggregate principal amount, plus accrued and unpaid interest, if any, at the date of purchase. Approximately $17.8 million in aggregate principal amount of the 9% senior subordinated notes were tendered and not withdrawn in the change of control offer, which expired on May 26, 2004. Cinemark USA, Inc. paid the change of control price with available cash on June 1, 2004.

On July 28, 2004, Cinemark USA, Inc. provided notice to the holders of its remaining outstanding 8 $^{1}/_{2}$% senior subordinated notes due 2008 of its election to redeem all outstanding notes at a redemption price of 102.833% of the aggregate principal amount plus accrued interest. On August 27, 2004, Cinemark USA, Inc. redeemed the remaining $10.8 million aggregate principal amount of notes utilizing available cash and borrowings under its former revolving credit line.

Former Senior Secured Credit Facility

On April 2, 2004, Cinemark USA, Inc. amended its then existing senior secured credit facility in connection with the MDP Merger. The former senior secured credit facility provided for a $260 million seven year term loan and a $100 million six and one-half year revolving credit line. The net proceeds from the former senior secured credit facility were used to repay the term loan under its then existing senior secured credit facility of approximately $163.8 million and to redeem the approximately $94.2 million aggregate principal amount of its then outstanding $105 million aggregate principal amount 8 1/2% senior subordinated notes due 2008 that were tendered pursuant to the tender offer.

At September 30, 2006, there was approximately $253.5 million outstanding under Cinemark USA, Inc.'s former term loan and no borrowings outstanding under the former revolving credit line.

Under the former term loan, principal payments of approximately $0.7 million were due each calendar quarter through March 31, 2010 and would have increased to $61.1 million each calendar quarter from June 30, 2010 to maturity at March 31, 2011. The former term loan bore interest, at Cinemark USA, Inc.'s option, at: (A) the base rate equal to the higher of (1) the prime lending rate as set forth on the British Banking Association Telerate page 5 or (2) the federal funds effective rate from time to time plus 0.50%, plus a margin that ranges from 0.75% to 1.00% per annum, or (B) a "eurodollar rate" plus a margin that ranged from 1.75% to 2.00% per annum, both of which were subject to adjustment based upon our achieving certain performance targets. Borrowings under the former revolving credit line bore interest, at Cinemark USA, Inc.'s option, at: (A) a base rate equal to the higher of (1) the prime lending rate as set forth on the British Banking Association Telerate page 5 or (2) the federal funds effective rate from time to time plus 0.50%, plus a margin that ranged from 1.00% to 1.50% per annum, or (B) a "eurodollar rate" plus a margin that ranged from 2.00% to 2.50% per annum, both of which were subject to adjustment based upon our achieving certain performance targets. Cinemark USA, Inc. was required to pay a commitment fee calculated at the rate of 0.50% per annum on the average daily unused portion of the former revolving credit line, payable quarterly in arrears. The average interest rate on outstanding borrowings under the former senior secured credit facility at September 30, 2006 was 7.3% per annum.

New Senior Secured Credit Facility

On October 5, 2006, Cinemark USA, Inc., refinanced its former senior secured credit facility in connection with the Century acquisition. The new senior secured credit facility provides for a seven year term loan of $1.12 billion and a $150 million revolving credit line that matures in six years unless its 9% senior subordinated notes have not been refinanced by August 1, 2012 with indebtedness that matures no earlier than seven and one-half years after the closing date of the new senior secured credit facility, in which case the maturity date of the revolving credit line becomes August 1, 2012. The net proceeds of the term loan were used to finance the cash portion of the Century acquisition, repay in full the loans outstanding under the former senior secured credit facility, repay certain existing indebtedness of Century and to pay for related fees and expenses. The revolving credit line is used for our general corporate purposes.

Under the term loan, principal payments of $2.8 million are due each calendar quarter beginning December 31, 2006 through September 30, 2012 and increase to $263.2 million each calendar quarter from December 31, 2012 to maturity at October 5, 2013. The term loan bears interest, at our option, at: (A) the base rate equal to the higher of (1) the prime lending rate as set forth on the British Banking Association Telerate page 5 or (2) the federal funds effective rate from time to time plus 0.50%, plus a margin that ranges from 0.75% to 1.00% per annum, or (B) a "eurodollar rate" plus a margin that ranges from 1.75% to 2.00% per annum, in each case as adjusted pursuant to our corporate credit rating. Borrowings under the revolving credit line bear interest, at our option, at: (A) a base rate equal to the higher of (1) the prime lending rate as set forth on the British Banking Association Telerate page 5 and (2) the federal funds effective rate from time to time plus 0.50%, plus a margin that ranges from 0.50% to 1.00% per annum, or (B) a "eurodollar rate" plus a margin that ranges from 1.50% to 2.00% per annum, in each case as adjusted pursuant to our consolidated net senior secured leverage ratio as defined in the credit agreement. Cinemark USA, Inc. will also be required to pay a commitment fee calculated at the rate of 0.50% per annum on the average daily unused portion of the amended revolving credit line, payable quarterly in arrears, which rate decreases to 0.375% per annum for any fiscal quarter in which our consolidated net senior secured leverage ratio on the last day of such fiscal quarter is less than 2.25 to 1.0.

Cinemark USA, Inc.'s obligations under the new senior secured credit facility are guaranteed by Cinemark Holdings, Inc., Cinemark, Inc., CNMK Holding, Inc., and certain of Cinemark USA, Inc.'s domestic subsidiaries and are secured by mortgages on certain fee and leasehold properties and security interests in substantially all of Cinemark USA, Inc.'s and the guarantors' personal property, including, without limitation, pledges of all of Cinemark USA, Inc.'s capital stock, all of the capital stock of Cinemark, Inc., CNMK Holding, Inc. and certain of Cinemark USA, Inc.'s domestic subsidiaries and 65% of the voting stock of certain of its foreign subsidiaries.

The new senior secured credit facility contains usual and customary negative covenants for transactions of this type, including, but not limited to, restrictions on Cinemark USA, Inc.'s ability, and in certain instances, its subsidiaries' and Cinemark Holdings, Inc.'s, Cinemark, Inc.'s and CNMK Holding, Inc.'s ability, to consolidate or merge or liquidate, wind up or dissolve; substantially change the nature of its business; sell, transfer or dispose of assets; create or incur indebtedness; create liens; pay dividends, repurchase stock and voluntarily repurchase or redeem the $9^{3}/_{4}$% senior discount notes or the 9% senior subordinated notes; and make capital expenditures and investments. The new senior secured credit facility also requires Cinemark USA, Inc. to satisfy a consolidated net senior secured leverage ratio covenant as determined in accordance with the new senior secured credit facility. The dividend restriction contained in the new senior secured credit facility prevents us and any of our subsidiaries from paying a dividend or otherwise distributing cash to its stockholders unless (1) we are not in default, and the distribution would not cause us to be in default, under the new senior secured credit facility; and (2) the aggregate amount of certain dividends, distributions, investments, redemptions and capital expenditures made since October 5, 2006, including the distribution currently proposed, is less than the sum of (a) the aggregate amount of cash and cash equivalents received by Cinemark Holdings, Inc. or Cinemark USA, Inc. as common equity since October 5, 2006, (b) Cinemark USA, Inc.'s consolidated EBITDA minus two times its consolidated interest expense, each as defined in the new senior secured credit facility, since October 1, 2006, (c) $150,000,000 and (d) certain other amounts specified in the new senior secured credit facility, subject to certain adjustments specified in the new senior secured credit facility. The dividend restriction is subject to certain exceptions specified in the new senior secured credit facility.

The new senior secured credit facility also includes customary events of default, including, among other things, payment default, covenant default, breach of representation or warranty, bankruptcy, cross-default, material ERISA events, certain types of change of control, material money judgments and failure to maintain subsidiary guarantees. If an event of default occurs, all commitments under the new senior secured credit facility may be terminated and all obligations under the new senior secured credit facility could be accelerated by the lenders, causing all loans outstanding (including accrued interest and fees payable thereunder) to be declared immediately due and payable. This initial public offering is not considered a change of control under the new senior secured credit facility.

Seasonality

Our revenues have historically been seasonal, coinciding with the timing of releases of motion pictures by the major distributors. Generally, the most successful motion pictures have been released during the summer, extending from Memorial Day to Labor Day, and during the holiday season, extending from Thanksgiving through year-end. The unexpected emergence of a hit film during other periods can alter this seasonality trend. The timing of such film releases can have a significant effect on our results of operations, and the results of one quarter are not necessarily indicative of results for the next quarter or for the same period in the following year.

Quantitative and Qualitative Disclosures About Market Risk

We have exposure to financial market risks, including changes in interest rates, foreign currency exchange rates and other relevant market prices.

Interest Rate Risk

An increase or decrease in interest rates would affect interest costs relating to our variable rate debt facilities. We and our subsidiaries are currently parties to variable rate debt facilities. At September 30, 2006, there was an aggregate of approximately $263.7 million of variable rate debt outstanding under these facilities. Based on the interest rate levels in effect on the variable rate debt outstanding at September 30, 2006, a

1%increase in market interest rates would not increase our annual interest expense or fair value by a material amount for the historical December 31, 2005 or September 30, 2006 periods. On a pro forma basis, a 1% increase in market interest rates would increase our annual interest expense by approximately $11 million.

The tables below provide information about our fixed rate and variable rate long-term debt agreements as of December 31, 2005 and September 30, 2006 and on a pro forma basis as of September 30, 2006:

Expected Maturity as of December 31, 2005

	December 31,								
	2006	2007	2008	2009	2010	Thereafter	Total	Fair Value	Average Interest Rate
					(In millions)				
Fixed rate(1)	$ 0.1	$ —	$ —	$ —	$ —	$ 939.5	$ 939.6	$ 792.8	9.5%
Variable rate	6.8	5.5	4.3	4.1	185.1	61.1	266.9	268.4	6.6%
Total debt	$ 6.9	$ 5.5	$ 4.3	$ 4.1	$ 185.1	$ 1,000.6	$ 1,206.5	$ 1,061.2	

Expected Maturity as of September 30, 2006

	September 30,								
	2007	2008	2009	2010	2011	Thereafter	Total	Fair Value	Average Interest Rate
					(In millions)				
Fixed rate(1)	$ 0.1	$ —	$ —	$ —	$ —	$ 886.9	$ 887.0	$ 771.8	9.5%
Variable rate	5.4	6.8	4.3	125.0	122.2	—	263.7	265.7	7.3%
Total debt	$ 5.5	$ 6.8	$ 4.3	$ 125.0	$ 122.2	$ 886.9	$ 1,150.7	$ 1,037.5	

Pro Forma Expected Maturity as of September 30, 2006

	2007	2008	2009	2010	2011	Thereafter	Total	Fair Value	Average Interest Rate
					(In millions)				
Fixed rate(1)	$ 0.1	$ —	$ —	$ —	$ —	$ 886.9	$ 887.0	$ 771.8	9.5%
Variable rate	14.0	15.4	12.9	12.7	11.2	1,064.0	1,130.2	1,144.4	7.3%
Total debt	$ 14.1	$ 15.4	$ 12.9	$ 12.7	$ 11.2	$ 1,950.9	$ 2,017.2	$ 1,916.2	

(1) Includes the 9$^{3}/_{4}$% senior discount notes in the aggregate principal amount at maturity of $575.3 million at December 31, 2005 and $535.6 million at September 30, 2006.

Foreign Currency Exchange Rate Risk

We are also exposed to market risk arising from changes in foreign currency exchange rates as a result of our international operations. Generally, we export from the U.S. certain of the equipment and construction interior finish items and other operating supplies used by our international subsidiaries. Principally all the revenues and operating expenses of our international subsidiaries are transacted in the country's local currency. Generally accepted accounting principles in the U.S. require that our subsidiaries use the currency of the primary economic environment in which they operate as their functional currency. If our subsidiaries operate in a highly inflationary economy, generally accepted accounting principles in the U.S. require that the U.S. dollar be used as the functional currency for the subsidiary. Currency fluctuations result in us reporting exchange gains (losses) or foreign currency translation adjustments relating to our international subsidiaries depending on the inflationary environment of the country in which we operate. As of September 30, 2006, none of the international countries in which we operate were considered highly inflationary. Based upon our equity ownership in our international subsidiaries as of September 30, 2006, holding everything else constant, a 10% immediate unfavorable change in each of the foreign currency exchange rates to which we are exposed would decrease the net fair value of our investments in our international subsidiaries by approximately $16 million.

BUSINESS

Our Company

We are a leader in the motion picture exhibition industry with 392 theatres and 4,430 screens in the U.S. and Latin America. Our circuit is the third largest in the U.S. with 279 theatres and 3,485 screens in 37 states. We are the most geographically diverse circuit in Latin America with 113 theatres and 945 screens in 12 countries. During the twelve months ended September 30, 2006, over 219 million patrons attended our theatres. Our modern theatre circuit features stadium seating for approximately 73% of our screens.

We apply a disciplined growth strategy, selectively building or acquiring new theatres in markets where we can establish and maintain a strong market position. Our portfolio of modern theatres provides a superior movie-going experience to patrons, contributing to our consistent cash flows and high operating margins. Our significant presence in the U.S. and Latin America has made us an important distribution channel for movie studios, particularly as they look to increase revenues generated in Latin America. Our market leadership and track record of strong financial performance is attributable in large part to our senior executives, who average approximately 33 years of industry experience and have successfully navigated us through multiple business cycles.

We grew our total revenue per patron at the highest CAGR during the last two fiscal years among the three largest motion picture exhibitors in the U.S. On a pro forma basis for the Century acquisition, revenues, operating income and Adjusted EBITDA for the nine months ended September 30, 2006 were $1,213.8 million, $145.7 million and $267.5 million, respectively, with pro forma operating income and Adjusted EBITDA margins of 12.0% and 22.0%, respectively. For the year ended December 31, 2005, our pro forma revenues, operating income and Adjusted EBITDA were $1,514.4 million, $118.4 million and $323.8 million, respectively, with pro forma operating income and Adjusted EBITDA margins of 7.8% and 21.4% respectively. We expect to continue to improve our margins as we integrate Century and realize the full benefit of the combination.

Acquisition of Century Theatres, Inc.

On October 5, 2006, we completed the acquisition of Century, a national theatre chain headquartered in San Rafael, California with 77 theatres and 1,017 screens in 12 states, for a purchase price of approximately $681 million and the assumption of approximately $360 million of Century debt. The acquisition of Century combines two family founded companies with common operating philosophies and cultures, strong operating performances and complementary geographic footprints. The key strategic benefits of the acquisition include:

High Quality Theatres with Strong Operating Performance. Century's theatre circuit is among the most modern in the U.S. with 77% of their screens featuring stadium seating. Century has achieved strong performance with revenues of $516.0 million, operating income of $59.9 million, Adjusted EBITDA of $120.8 million and Adjusted EBITDA margin of 23.4% for its fiscal year ended September 28, 2006. These results are due in part to Century's operating philosophy which is similar to Cinemark's.

Strengthens Our Geographic Footprint. The Century acquisition enhances our geographic diversity, strengthens our presence in key large- and medium-sized metropolitan and suburban markets such as Las Vegas, the San Francisco Bay Area and Tucson, and complements our existing footprint. The increased number of theatres and markets diversifies our revenues and broadens the composition of our overall portfolio.

Leading Share in Attractive Markets. With the Century acquisition, we have a leading market share in a large number of attractive metropolitan and suburban markets. For the nine months ended September 30, 2006, on a pro forma basis, we ranked either first or second by box office revenues in 27 out of our top 30 U.S. markets, including Chicago, Dallas, Houston, Las Vegas, Salt Lake City and the San Francisco Bay Area.

Participation in National CineMedia

On July 15, 2005, we joined NCM as a founding member along with Regal Entertainment, Inc. and AMC Entertainment, Inc. NCM, which operates the largest digital in-theatre network in the U.S., combines the cinema advertising and non-film events businesses of the three largest motion exhibition picture companies in the country. As part of the transaction, we entered into an Exhibitor Services Agreement with NCM, pursuant to which NCM provides advertising, promotion and event services to our theatres. We own approximately 25% of NCM based on operating data as of October 26, 2006, which includes Century. NCM reported revenues of $145.2 million for the nine months ended September 28, 2006, which is derived principally from the following activities:

- ***Advertising:*** NCM develops, produces, sells and distributes a branded, pre-feature entertainment and advertising program called "*FirstLook*," along with an advertising program for its LEN and various marketing and promotional products in theatre lobbies;
- ***CineMeetings:*** NCM provides live and pre-recorded networked and single-site meetings and events in the theatres throughout its network; and
- ***Digital Programming Events:*** NCM distributes live and pre-recorded concerts, sporting events and other entertainment programming to theatres across its digital network.

We believe that the reach, scope and digital delivery capability of NCM's network provides an effective platform for national, regional and local advertisers to reach a young, affluent and engaged audience on a highly targeted and measurable basis. NCM's network is currently located in 45 states and the District of Columbia and covers all of the top 25 DMAs®, 49 of the top 50 DMAs®, and 149 DMAs® in total. As of September 28, 2006, NCM had a total of 12,973 screens in its network, excluding Loews Cineplex Entertainment Corporation and Century. During 2005, over 500 million patrons, representing 36% of the total U.S. theatre attendance, attended movies shown in theatres owned by its founding members.

On October 12, 2006, NCM, Inc. filed a registration statement for a proposed initial public offering with the SEC. NCM, Inc. intends to distribute the net proceeds from the proposed initial public offering to its founding members, in connection with modifying payment obligations for network access. There can be no guarantee that NCM, Inc. will complete the proposed initial public offering or that we will receive any proceeds.

In our international markets, we generally outsource our screen advertising to local companies who have established relationships with local advertisers that provide similar benefits as NCM.

Motion Picture Industry Overview

Domestic Markets

The U.S. motion picture exhibition industry has a demonstrated track record of consistent, long-term growth, with box office revenues growing at a CAGR of 5.4% over the last 35 years. Despite historical economic cycles, attendance has grown at a 1.2% CAGR over the same period. The industry has maintained momentum with strong performance in 2006. For the nine months ended September 30, 2006, U.S. box office revenues were up 6.3% and attendance was up 4.3% over the same period in 2005. We believe this trend will continue into 2007 with a strong slate of franchise films, such as *Pirates of the Caribbean: At World's End*, *Spider-Man 3*, *Shrek the Third* and *Harry Potter and the Order of the Phoenix.*

The following table represents the results of a survey by MPAA Worldwide Market Research outlining the historical trends in U.S. box office revenues for the ten year period from 1996 to 2005.

Year	U.S. Box Office Revenues ($ in millions)
1996	$ 5,912
1997	$ 6,366
1998	$ 6,949
1999	$ 7,448
2000	$ 7,661
2001	$ 8,413
2002	$ 9,520
2003	$ 9,489
2004	$ 9,539
2005	$ 8,991

International Markets

International growth has also been strong. According to PwC, global box office revenues grew steadily at a CAGR of 2.5% from 2001 to 2005 as a result of the increasing acceptance of moviegoing as a popular form of entertainment throughout the world, ticket price increases and new theatre construction. Latin America has been one of the fastest growing regions in the world, with box office revenues growing at a CAGR of 12.6% from 2001 to 2005.

Growth in Latin America is expected to be fueled by a combination of continued development of modern theatres, attractive demographics (i.e., a significant teenage population), strong product from Hollywood and the emergence of a local film industry. In many Latin American countries the local film industry had been dormant because of the lack of sufficient theatres to screen the film product. The development of new modern multiplex theatres has revitalized the local film industry and, in Mexico, Brazil and Argentina, successful local film product often provides incremental growth opportunities.

We believe many international markets for theatrical exhibition have historically been underserved and that certain of these markets, especially those in Latin America, will continue to experience growth as additional modern stadium-styled theatres are introduced.

Drivers of Continued Industry Success

We believe the following market trends will drive the continued growth and strength of our industry:

Importance of Theatrical Success in Establishing Movie Brands and Subsequent Markets. Theatrical exhibition is the primary distribution channel for new motion picture releases. A successful theatrical release which "brands" a film is one of the major factors in determining its success in "downstream" distribution channels, such as home video, DVD, and network, syndicated and pay-per-view television.

Increased Importance of International Markets for Box Office Success. International markets are becoming an increasingly important component of the overall box office revenues generated by Hollywood films, accounting for $14 billion, or 61% of 2005 total worldwide box office revenues according to MPAA. In 2006, the international markets continued to have a majority share of worldwide box office revenues, representing over 60% of the total box office revenues for many blockbusters, including *Pirates of the Carribbean: Dead Man's Chest, The Da Vinci Code, Ice Age: The Meltdown,* and *Mission Impossible III.* With continued growth of the international motion picture exhibition industry, we believe the relative contribution of markets outside North America will become even more significant.

***Increased Investment in Production and Marketing of Films by Distributors*.** As a result of the additional revenues generated by domestic, international and downstream markets, studios have increased production and marketing expenditures per new film at a CAGR of 5.1% and 7.4%, respectively, over the past ten years. This has led to an increase in "blockbuster" features, which attract larger audiences to theatres.

Stable Long-term Attendance Trends. We believe that long-term trends in motion picture attendance in the U.S. will continue to benefit the industry. Despite historical economic cycles, attendance has grown at a 1.2% CAGR since 1970 to 1.4 billion patrons in 2005. Additionally, younger moviegoers in the U.S. continue to be the most frequent patrons. According to MPA Worldwide Market Research, 12-to-20-year-olds represented 28% of attendance at the beginning of 2005, but only 15% of the population.

Reduced Seasonality of Revenues. Box office revenues have historically been highly seasonal, with a majority of blockbusters being released during the summer and year-end holiday season. In recent years, the seasonality of motion picture exhibition has become less pronounced as studios have begun to release films more evenly throughout the year. This benefits exhibitors by allowing more effective allocation of the fixed cost base throughout the year.

Convenient and Affordable Form of Out-Of-Home Entertainment. Moviegoing continues to be one of the most convenient and affordable forms of out-of-home entertainment, with an average ticket price in the U.S. of $6.41 in 2005. Average prices in 2005 for other forms of out-of-home entertainment in the U.S., including sporting events and theme parks, range from approximately $21.00 to $57.50 per ticket according to MPA Worldwide Market Research. Movie ticket prices have risen at approximately the rate of inflation, while ticket prices for other forms of out-of-home entertainment have increased at higher rates.

Competitive Strengths

We believe the following strengths allow us to compete effectively.

Track Record of Strong Financial Performance and Discipline. We have generated an Adjusted EBITDA margin averaging 21.7% over the last three fiscal years. Our proven track record of strong performance is a result of our financial discipline, such as negotiating favorable theatre level economics and controlling theatre operating costs. As we continue to integrate Century into our operations, we believe we will be able to generate additional revenues and cost efficiencies to further improve our margins.

Leading Position in Our U.S. Markets. We have a leading share in the U.S. metropolitan and suburban markets we serve. For the nine months ended September 30, 2006, on a pro forma basis we ranked either first or second based on box office revenues in 27 out of our top 30 U.S. markets, including Chicago, Dallas, Houston, Las Vegas, Salt Lake City and the San Francisco Bay Area. On average, the population in over 80% of our domestic markets, including Dallas, Las Vegas and Phoenix, is expected to grow 60% faster than the average growth rate of the U.S. population over the next five years.

Strategically Located in Heavily Populated Latin American Markets. Since 1993, we have invested throughout Latin America due to the growth potential of the region. We operate 113 theatres and 945 screens in 12 countries, generating revenues of $222.8 million for the nine months ended September 30, 2006. We have successfully established a significant presence in major cities in the region, with theatres in twelve of the fifteen largest metropolitan areas. With the most geographically diverse circuit in Latin America, we are an important distribution channel to the movie studios. The region's improved economic climate and rising disposable income are also a source for growth. Over the last three years, the CAGR of our international revenue has been greater than that of our U.S. operations. We are well-positioned with our modern, large-format theatres and new screens to take advantage of this favorable economic environment for further growth and diversification of our revenues.

Modern Theatre Circuit. We have one of the most modern theatre circuits in the industry which we believe makes our theatres a preferred destination for moviegoers in our markets. We feature stadium seating in 78% of our first run auditoriums, the highest percentage among the three largest U.S. exhibitors, and 80% of our international screens also feature stadium seating. During 2006, we continued our organic expansion by building 210 screens. We currently have commitments to build 334 additional screens over the next three years.

Strong Balance Sheet with Consistent Cash Flow Generation. We generate cash flow as a result of several factors, including management's ability to contain costs, predictable revenues and a geographically diverse, modern theatre circuit requiring limited maintenance capital expenditures. Additionally, a strategic advantage, which enhances our cash flows, is our ownership of land and buildings. We own 44 properties with an aggregate value in excess of $350 million. For the nine months ended September 30, 2006, on a pro forma basis adjusted to give effect to this offering at an assumed initial public offering price of $ per share (the midpoint of the price range set forth on the cover page of this prospectus), we expect our leverage to be net debt to annualized Adjusted EBITDA. We believe our expected level of free cash flow generation will provide us with the strategic and financial flexibility to pursue growth opportunities, support our debt payments and make dividend payments to our stockholders.

Strong Management with Focused Operating Philosophy. Led by Chairman and founder Lee Roy Mitchell, Chief Executive Officer Alan Stock, President and Chief Operating Officer Timothy Warner and Chief Financial Officer Robert Copple, our management team has an average of approximately 33 years of theatre operating experience executing a focused strategy which has led to strong operating results. Our operating philosophy has centered on providing a superior viewing experience and selecting less competitive markets or clustering in strategic metropolitan and suburban markets in order to generate a high return on invested capital. This focused strategy includes rigorous site selection, building appropriately-sized theatres for each of our markets, and managing our properties to maximize profitability. As a result, we grew our admissions and concessions revenues per patron at the highest CAGR during the last two fiscal years among the three largest motion picture exhibitors in the U.S.

Our Strategy

We believe our operating philosophy and superior execution will enable us to continue to enhance our leading position in the motion picture exhibition industry, consistently delivering value to our stockholders. Key components of our strategy include:

Establish and Maintain Leading Market Positions. We will continue to seek growth opportunities by building or acquiring modern theatres that meet our strategic, financial and demographic criteria. We will continue to focus on establishing and maintaining a leading position in the markets we serve.

Maximize Profitability and Shareholder Value with Continued Focus on Operational Excellence. We will continue to focus on achieving operational excellence by controlling theatre operating costs. Our operating efficiency is evident in our track record of high operating margins, which enhances our ability to deliver value to our stockholders.

Selectively Build in Profitable, Strategic Latin American Markets. Our international expansion will continue to focus primarily on Latin America through construction of American-style, state-of-the-art theatres in major urban markets.

Theatre Operations

As of September 30, 2006, after giving effect to the Century acquisition, we operated 392 theatres and 4,430 screens in 37 states, one Canadian province and 12 Latin American countries. We operated 353 first run theatres with 4,066 screens and 39 discount theatres with 364 screens. Our theatres in the U.S. are primarily located in mid-sized U.S. markets, including suburbs of major metropolitan areas. We believe these markets are generally less competitive and generate high, stable margins. Our theatres in Latin America are primarily located in major metropolitan markets, which we believe are generally underscreened. The following tables summarize the geographic locations of our theatre circuit as of September 30, 2006 after giving effect to the Century acquisition.

United States Theatres

State	Total Theatres	Total Screens
Texas	74	955
California	63	707
Ohio	19	205
Utah	12	155
Nevada	9	138
Colorado	7	111
Illinois	8	106
Arizona	7	98
Kentucky	7	83
Oregon	6	82
Pennsylvania	5	73
Louisiana	5	68
Oklahoma	6	67
New Mexico	4	54
Virginia	4	52
Michigan	3	50
Indiana	5	46
North Carolina	4	41
Mississippi	3	41
Florida	2	40
Iowa	4	39
Arkansas	3	30
Georgia	2	27
New York	2	27
South Carolina	2	22
Kansas	1	20
Alaska	1	16
New Jersey	1	16
Missouri	1	14
South Dakota	1	14
Tennessee	1	14
Wisconsin	1	14
Massachusetts	1	12
Delaware	1	10
West Virginia	1	10
Minnesota	1	8
Montana	1	8
Total United States	278	3,473
Canada	1	12
Total	279	3,485

International Theatres

Country	Total Theatres	Total Screens
Brazil	35	302
Mexico	29	282
Chile	12	91
Central America(1)	12	80
Argentina	9	77
Colombia	8	50
Ecuador	4	26
Peru	4	37
Total	113	945

(1) Includes Honduras, El Salvador, Nicaragua, Costa Rica and Panama.

We first entered Latin America with the opening of theatres in Chile in 1993 and Mexico in 1994. Since 1993, through our focused international strategy, we have developed into the most geographically diverse circuit in Latin America. We presently have theatres in twelve of the fifteen largest metropolitan areas in Latin America. We have balanced our risk through a diversified international portfolio with operations in twelve countries in Latin America. In addition, we have achieved significant scale in Mexico and Brazil, the two largest Latin American economies.

We believe that certain markets within Latin America continue to be underserved and penetration of movie screens per capita in Latin American markets is substantially lower than in the U.S. and European markets. We will continue to build and expand our presence in underserved international markets, with emphasis on Latin America, and fund our expansion primarily with cash flow generated in those markets. We are able to mitigate exposure in the costs of our international operations to currency fluctuations by using local currencies to fund substantially all aspects of our operations, including film and facility lease expense. Our geographic diversity throughout Latin America has allowed us to maintain consistent revenue growth notwithstanding currency fluctuations that may affect any particular market.

Film Licensing

In the U.S., we license films from film distributors that are owned by major film production companies or from independent film distributors that distribute films for smaller production companies. For new release films, film distributors typically establish geographic zones and offer each available film to one theatre in each zone. The size of a film zone is generally determined by the population density, demographics and box office revenues potential of a particular market or region. A film zone can range from a radius of three to five miles in major metropolitan and suburban areas to up to fifteen miles in small towns. We currently operate theatres in 228 first run film zones in the U.S. New film releases are licensed at the discretion of the film distributors. As the sole exhibitor in approximately 84% of the first run film zones in which we operate, we have maximum access to film product, which allows us to select those pictures we believe will be the most successful in our markets from those offered to us by distributors. We usually license films on an allocation basis in film zones where we face competition. Films are released to discount theatres once the attendance levels substantially drop off at the first run theatres. For discount films, film distributors generally establish availability on a market-by-market basis after the completion of exhibition at first run theatres and permit discount theatres within a market to exhibit such films simultaneously without regard to film zones.

In the international markets in which we operate, distributors do not allocate film to a single theatre in a geographic film zone, but allow competitive theatres to play the same films simultaneously. In these markets, films are still licensed on a theatre-by-theatre and film-by-film basis. Our theatre personnel focus on providing excellent customer service, and we provide a modern facility with the most up-to-date sound systems, comfortable stadium style seating and other amenities typical of modern American-style multiplexes, which we believe gives us a competitive advantage in markets where competing theatres play the same films. Of the 912 screens we operate in international markets, approximately 79% feature stadium seating and 85% have no direct competition from other theatres.

Our film rental licenses in the U.S. typically state that rental fees are based on either mutually agreed upon firm terms established prior to the opening of the picture or on a mutually agreed upon settlement at the conclusion of the picture run. Under a firm terms formula, we pay the distributor a specified percentage of box office receipts, which reflects either a mutually agreed upon aggregate rate for the life of the film or rates that decline over the term of the run. Firm term film rental fees that decline over the term of the run generally start at 60% to 70% of box office receipts, gradually declining to as low as 30% over a period of four to seven weeks. The settlement process allows for negotiation of film rental fees upon the conclusion of the film run based upon how the film performs. Internationally, our film rental licenses are based on mutually agreed upon firm terms established prior to the opening of the picture. The film rental percentages paid by our international locations are generally lower than in the U.S. markets and gradually decline over a period of several weeks.

We also operate discount theatres in the U.S., with admissions ranging from $0.50 to $2 per ticket, to serve an alternative market of patrons that extends the life of a film past the first run screening. By serving this alternative market of patrons in our discount theatres, we have been able to increase the number of potential customers beyond traditional first run moviegoers. Our discount theatres offer many of the same amenities as our first run theatres, including wall-to-wall screens, comfortable seating with cup holder armrests, digital sound and multiple concession stands. Discount film rental percentages typically begin at 35% of box office receipts and often decline to 30% after the first week.

With the Century acquisition, we now operate nine art theatres with 36 screens operated under the Cine-Arts brand. Cine-Arts will allow us to take advantage of the growth in the art and independent market driven by the more mature patron. There has been an increased interest in art, foreign and documentary films. High profile film festivals, such as the Sundance festival, have contributed to growth and interest in this genre. Recent hits such as *Brokeback Mountain* and *Little Miss Sunshine* have demonstrated the box office potential of art and independent films.

Concessions

Concession sales are our second largest revenue source, representing approximately 30% of total pro forma revenues for the nine months ended September 30, 2006. Concession sales have a much higher margin than admissions sales. We have devoted considerable management effort to increase concession sales and improve operating margins. These efforts include implementation of the following strategies:

- *Optimization of product mix.* Concession products are primarily comprised of various sizes of popcorn, soft drinks and candy. Different varieties and flavors of candy and soft drinks are offered at theatres based on preferences in that particular geographic region. Specially priced combos are launched on a regular basis to increase average concession purchases as well as to attract new buyers. Kids' meals are also offered and packaged towards younger patrons.
- *Staff training.* Employees are continually trained in "suggestive-selling" and "upselling" techniques. This training occurs through situational role-playing conducted at our "Customer Satisfaction University" as well as continued on-the-job training. Theatre managers receive additional compensation based on concession sales at their theatres and are therefore motivated to maximize concession sales. Consumer promotions conducted at the concession stand always include a motivational element which rewards theatre staff for exceptional combo sales during the period.

  A formalized crew program is in place to reward front line employees who excel in delivering rapid service. The Speed of Service (SOS) program is held annually to kick off peak business periods and refresh training and the importance of speed at the front line.

  Also, a year-round crew incentive called Pour More & Score is in place. All concession programs include a points-earning opportunity designed to primarily drive sales of drinks and popcorn. Theatres compete against their own prior year performance in an effort to win staff prizes.

- *Theatre design.* Our theatres are designed to optimize efficiencies at the concession stands, which include multiple service stations to facilitate serving more customers quicker. We strategically place large concession stands within theatres to heighten visibility, reduce the length of concession lines, and improve traffic flow around the concession stands. Century's concession areas are designed as individual stations which allow customers to select their choice of refreshments and proceed to the cash register. This design permits efficient service, enhanced choice and superior visibility of concession items. As we continue to integrate Century into our operations, we will evaluate this concession design against our historical design to determine the most optimum layout.
- *Cost control.* We negotiate prices for concession supplies directly with concession vendors and manufacturers to obtain bulk rates. Concession supplies are distributed through a national distribution network. The concession distributor supplies and distributes inventory to the theatres, which place volume orders directly with the vendors to replenish stock. The concession distributor is paid a percentage fee for warehousing and delivery of concession goods on a weekly basis.

Marketing

In the U.S., we rely on newspaper display advertisements, substantially paid for by film distributors, newspaper directory film schedules, generally paid for by us, and Internet advertising, which has emerged as a strong media source to inform patrons of film titles and showtimes. Radio and television advertising spots, generally paid for by film distributors, are used to promote certain motion pictures and special events. We also exhibit previews of coming attractions and films presently playing on the other screens which we operate in the same theatre or market. We have successfully used the Internet to provide patrons access to movie times, the ability to buy and print their tickets at home and purchase gift cards and other advanced sale-type certificates. The Internet is becoming a popular way to check movie showtimes and may, over time, replace the traditional newspaper advertisements. Many newspapers add an Internet component to their advertising and add movie showtimes to their Internet sites. We use monthly web contests with film distributor partners to drive traffic to our website and ensure that customers visit often. Over time, the Internet may allow us to reduce our advertising costs associated with newspaper directory advertisements. In addition, we work on a regular basis with all of the film distributors to promote their films with local, regional and national programs that are exclusive to our theatres. These may involve customer contests, cross-promotions with third parties, media on-air tie-ins and other means to increase traffic to a particular film showing at one of our theatres.

We also partner with large multi-national corporations, in the larger metropolitan areas in which we have theatres, to promote our brand, our image and to increase attendance levels at our theatres. Our customers are encouraged to register on our website to receive weekly information via e-mail for showtime information, invitations to special screenings, sponsored events and promotional information. In addition, some of our customers request to receive showtime information via their cellular phones.

Our marketing department also focuses on maximizing revenue generating opportunities, which include the following:

- *Sales.* We employ sales personnel at our corporate office who work with NCM to oversee the development and implementation of a comprehensive domestic theatre rental and group sales effort. NCM and our sales department are responsible for increasing theatre rental income during periods when the theatre is normally closed and maximizing group film bookings to specialized groups such as schools, daycare centers and religious organizations. We believe the large lobbies, comfortable seating, big screens and sound capabilities make our theatres an attractive venue for corporate events, private parties, private screenings and team building meetings. With the digital equipment that will be installed in the majority of our theatres, we can also offer capacity to do PowerPoint and other presentations for corporate meetings. We believe the trend to use theatre auditoriums for non-film events during non-peak times will increase, which will add revenues and attract new audiences to our theatres while not significantly increasing costs. In addition, targeted efforts to sell niche films to particular groups will also increase overall revenues.

- *Business Development.* Our marketing personnel are responsible for the sale of our gift cards, gift certificates and discount tickets, which are called SuperSavers. We market these programs to such business representatives as realtors, human resource managers, incentive program managers and hospital and pharmaceutical personnel. Gift cards and gift certificates can be purchased at our theatres. Gift cards, gift certificates and SuperSavers are also sold online, via phone, fax, email and regular mail and fulfilled in-house from the local corporate office.

Online Sales

Our patrons may purchase advance tickets for 3,485 of our domestic screens and 302 of our international screens by accessing our corporate website at *www.cinemark.com* or *www.fandango.com.* Our Internet initiatives help improve customer satisfaction, allowing patrons who purchase tickets over the Internet to often bypass lines at the box office by printing their tickets at home or picking up their tickets at kiosks in the theatre lobby.

Point of Sale Systems

We developed our own proprietary point of sale system to further enhance our ability to maximize revenues, control costs and efficiently manage operations. The system, which is installed in all of our U.S. theatres and some of our international theatres, provides corporate management with real-time admissions and concession revenues reports that allow managers to make timely changes to movie schedules, including extending film runs, increasing the number of screens on which successful movies are being played, or substituting films when gross receipts do not meet expectations. Real-time seating and box office information is available to box office personnel, preventing overselling of a particular film and providing faster and more accurate responses to customer inquiries regarding showtimes and available seating. The system tracks concession sales, provides in-theatre inventory reports allowing for efficient inventory management and control, has multiple language capabilities, offers numerous ticket pricing options, integrates Internet ticket sales and processes credit card transactions. Barcode scanners, pole displays, touch screens, credit card readers and other equipment can be integrated with the system to enhance its functions. In some of our international locations, we use point of sale systems that have been developed by third parties for the motion picture industry, which have been certified as compliant with applicable governmental regulations.

Competition

We are one of the leading motion picture exhibitors in terms of both revenues and the number of screens in operation. We compete against local, regional, national and international exhibitors with respect to attracting patrons, licensing films and developing new theatre sites.

We are the sole exhibitor in approximately 84% of the 228 first run film zones in which our first run U.S. theatres operate. In film zones where there is no direct competition from other theatres, we select those films we believe will be the most successful from among those offered to us by film distributors. Where there is competition, we usually license films based on an allocation process. Of the 945 screens we operate outside of the U.S., approximately 85% of those screens have no direct competition from other theatres. The principal competitive factors with respect to film licensing are:

- location, accessibility and capacity of an exhibitor's theatre;
- theatre comfort;
- quality of projection and sound equipment;
- level of customer service; and
- licensing terms.

The competition for customers is dependent upon factors such as the availability of popular films, the location of theatres, the comfort and quality of theatres and ticket prices. Our ticket prices at first run and discount theatres are competitive with ticket prices of competing theatres.

We also face competition from a number of other motion picture exhibition delivery systems, such as DVD, network and syndicated television, video on-demand, pay-per-view television and downloading utilizing the Internet. We do not believe that these additional distribution channels have adversely affected theatre attendance; however, we can give no assurance that these or other alternative delivery systems will not have an adverse impact on attendance in the future. We also face competition from other forms of entertainment competing for the public's leisure time and disposable income, such as concerts, theme parks and sporting events.

Corporate Operations

We maintain a corporate office in Plano, Texas that provides oversight for our domestic and international theatres. Domestic operations include theatre operations support, film licensing and settlements, human resources, legal, finance and accounting, operational audit, theatre maintenance and construction, Internet and information systems, real estate and marketing. Our U.S. operations are divided into sixteen regions, each of which is headed by a region leader.

International personnel in the corporate office include our President of Cinemark International, L.L.C. and directors/vice presidents in charge of film licensing, marketing, concessions, theatre operations support, theatre maintenance and construction, real estate, legal, operational audit, information systems and accounting. We have a chief financial officer in both Brazil and Mexico, which are our two largest international markets. We have eight regional offices in Latin America responsible for the local management of operations in twelve individual countries. Each regional office is headed by a general manager and includes personnel in film licensing, marketing, human resources, operations and accounting. The regional offices are staffed with nationals from the region to overcome cultural and operational barriers. Training is conducted at the corporate office to establish consistent standards throughout our international operations.

Employees

We have approximately 13,600 employees in the U.S., approximately 10% of whom are full time employees and 90% of whom are part time employees. We have approximately 5,100 employees in our international markets, approximately 47% of whom are full time employees and approximately 53% of whom are part time employees. Nineteen U.S. employees are represented by unions under collective bargaining agreements. Some of our international locations are subject to union regulations. We regard our relations with our employees to be satisfactory.

Regulations

The distribution of motion pictures is largely regulated by federal and state antitrust laws and has been the subject of numerous antitrust cases. We have not been a party to such cases, but the manner in which we can license films from certain major film distributors is subject to consent decrees resulting from these cases. Consent decrees bind certain major film distributors and require the films of such distributors to be offered and licensed to exhibitors, including us, on a theatre-by-theatre and film-by-film basis. Consequently, exhibitors cannot assure themselves a supply of films by entering long-term arrangements with major distributors, but must negotiate for licenses on a theatre-by-theatre and film-by-film basis.

We are subject to various general regulations applicable to our operations including the ADA. We develop new theatres to be accessible to the disabled and we believe we are in substantial compliance with current regulations relating to accommodating the disabled. Although we believe that our theatres comply with the ADA, we have been a party to lawsuits which claim that our handicapped seating arrangements do not comply with the ADA or that we are required to provide captioning for patrons who are deaf or are severely hearing impaired.

Our theatre operations are also subject to federal, state and local laws governing such matters as wages, working conditions, citizenship, health and sanitation requirements and licensing.

Financial Information About Geographic Areas

We operate in a single business segment as a motion picture exhibitor. We are a multinational corporation with consolidated operations, as of September 30, 2006, in the U.S., Canada, Mexico, Argentina, Brazil, Chile, Ecuador, Peru, Honduras, El Salvador, Nicaragua, Costa Rica, Panama and Colombia. See note 19 to our annual consolidated financial statements and note 11 to our interim consolidated financial statements for information on our revenues and theatre properties and equipment in the U.S. and Canada, Mexico, Brazil and the other countries in which we operate.

Properties

United States

As of September 30, 2006, we operated 235 theatres, with 2,856 screens, pursuant to leases and own the land and building for 44 theatres, with 629 screens, in the U.S. During the nine months ended September 30, 2006, we opened ten new theatres with 121 screens and acquired one theatre with 12 screens in an exchange for one of our theatres. As part of the Century acquisition, on October 5, 2006, we acquired 77 theatres, with 1,017 screens, in 12 states. Our leases are generally entered into on a long-term basis with terms, including renewal options, generally ranging from 20 to 45 years. As of September 30, 2006, approximately 9% of our theatre leases in the U.S., covering 21 theatres with 165 screens, have remaining terms, including optional renewal periods, of less than five years and approximately 80% of our theatre leases in the U.S., covering 188 theatres with 2,493 screens, have remaining terms, including optional renewal periods, of more than 15 years. The leases generally provide for a fixed monthly minimum rent payment, with certain leases also subject to additional percentage rent if a target annual revenue level is achieved. We lease an office building in Plano, Texas for our corporate office.

International

As of September 30, 2006, internationally, we operated 113 theatres, with 945 screens, all of which are leased pursuant to ground or building leases. During the nine months ended September 30, 2006, we opened five new theatres with 33 screens in Latin America. Our international leases are generally entered into on a long term basis with terms generally ranging from 10 to 20 years. The leases generally provide for contingent rental based upon operating results (some of which are subject to an annual minimum). Generally, these leases include renewal options for various periods at stipulated rates. One international theatre with eight screens has a remaining term, including optional renewal periods, of less than five years. Approximately 28% of our international theatre leases, covering 32 theatres and 269 screens, have remaining terms, including optional renewal periods, of between six and 15 years and approximately 71% of our international theatre leases, covering 80 theatres and 668 screens, have remaining terms, including optional renewal periods, of more than 15 years.

See note 18 to our annual consolidated financial statements for information regarding our domestic and international lease commitments. We periodically review the profitability of each of our theatres, particularly those whose lease terms are nearing expiration, to determine whether to continue its operations.

Legal Proceedings

We resolved a lawsuit filed by the DOJ in March 1999 which alleged certain violations of the ADA relating to wheelchair seating arrangements in certain of our stadium-style theatres. We and the DOJ agreed to a consent order which was entered by the U.S. District Court for the Northern District of Ohio, Eastern Division, on November 17, 2004. Under the consent order, we are required to make modifications to wheelchair seating locations in fourteen stadium-style movie theatres in California, Kentucky, Michigan, Ohio, Oregon and Tennessee, and spacing and companion seating modifications in 67 auditoriums at other stadium-styled movie theatres in Illinois, Kansas, Missouri, New York and Utah. These modifications must be completed by November 2009. We are currently in compliance with the consent order. Upon completion of these modifications, these theatres will comply with wheelchair seating requirements, and no further modifications will be required to our other existing stadium-style movie theatres in the United States. In addition, under the consent order, the DOJ approved the seating plans for nine stadium-styled movie theatres then under construction and also created a safe harbor framework for us to construct all of our future stadium-style movie theatres. The DOJ has stipulated that all theatres built in compliance with the consent order will comply with the wheelchair seating requirements of the ADA. We do not believe that our requirements under the consent order will materially affect our business or financial condition.

From time to time, we are involved in other various legal proceedings arising from the ordinary course of our business operations, such as personal injury claims, employment matters and contractual disputes, most of which are covered by insurance. We believe our potential liability, with respect to proceedings currently pending, is not material, individually or in the aggregate, to our financial position, results of operations and cash flows.

MANAGEMENT

Executive Officers and Directors

Set forth below is the name, age, position and a brief account of the business experience of our executive officers and directors:

Name	Age	Position
Lee Roy Mitchell	69	Chairman of the Board; Director
Alan W. Stock	46	Chief Executive Officer
Timothy Warner	61	President; Chief Operating Officer
Tandy Mitchell	56	Executive Vice President; Assistant Secretary
Robert Copple	48	Executive Vice President; Treasurer; Chief Financial Officer; Assistant Secretary
Robert Carmony	48	Senior Vice President-Operations
Michael Cavalier	40	Senior Vice President-General Counsel; Secretary
Walter Hebert, III	61	Senior Vice President-Purchasing
Tom Owens	49	Senior Vice President-Development
John Lundin	57	Vice President-Film Licensing
Don Harton	49	Vice President-Construction
Terrell Falk	56	Vice President-Marketing and Communications
Benjamin D. Chereskin	48	Director
James N. Perry, Jr.	46	Director
Robin P. Selati	40	Director
Vahe A. Dombalagian	33	Director
Enrique F. Senior	63	Director
Peter R. Ezersky	46	Director
Raymond W. Syufy	44	Director
Joseph E. Syufy	41	Director

Lee Roy Mitchell has served as Chairman of the board since March 1996 and as a Director since our inception in 1987. Mr. Mitchell served as our Chief Executive Officer since our inception until December 2006. Mr. Mitchell was Vice Chairman of the Board of Directors from March 1993 to March 1996 and was President from our inception in 1987 until March 1993. From 1985 to 1987, Mr. Mitchell served as President and Chief Executive Officer of a predecessor corporation. Since March 1999, Mr. Mitchell serves as a director of Texas Capital Bancshares, Inc., a bank holding company. Mr. Mitchell has served on the Board of Directors of the National Association of Theatre Owners since 1991. Mr. Mitchell also serves on the Board of Directors of National CineMedia, L.L.C., Champions for Life and Dallas County Community College. Mr. Mitchell has been engaged in the motion picture exhibition business for nearly 46 years. Mr. Mitchell is the husband of Tandy Mitchell.

Alan W. Stock has served as Chief Executive Officer since December 2006. Mr. Stock served as President from March 1993 until December 2006 and as Chief Operating Officer from March 1992 until December 2006. Mr. Stock also served as a Director from April 1992 to April 2004. Mr. Stock was Senior Vice President from October 1989 to March 1993. Mr. Stock was General Manager from our inception in 1987 to March 1992.

Timothy Warner has served as President and Chief Operating Officer since December 2006. Mr. Warner served as Senior Vice President from May 2002 until December 2006 and President of Cinemark International, L.L.C. from April 1996 until December 2006. Mr. Warner has served on the Board of Directors of the National Association of Theatre Owners since 1982 and was the Chairman of the National Association of Theatre Owners International Committee from 2002 through 2004.

Tandy Mitchell has served as Executive Vice President since October 1989 and Assistant Secretary since December 2003. Mrs. Mitchell also served as Vice Chairman of the board from March 1996 to April 2004. Mrs. Mitchell is the wife of Lee Roy Mitchell and sister of Walter Hebert, III.

Robert Copple has served as Executive Vice President since January 2007 and as Senior Vice President, Treasurer, Chief Financial Officer and Assistant Secretary since August 2000 and also served as a Director from September 2001 to April 2004. Mr. Copple was acting Chief Financial Officer from March 2000 to August 2000. From August 1997 to March 2000, Mr. Copple was President of PBA Development, Inc., an investment management and venture capital company. From June 1993 to July 1997, Mr. Copple was Director of Finance. Prior to joining our company, Mr. Copple was a Senior Manager with Deloitte & Touche, LLP where he was employed from 1982 to 1993.

Robert Carmony has served as Senior Vice President-Operations since July 1997, as Vice President — Operations from March 1996 to July 1997 and as Director of Operations from June 1988 to March 1996.

Michael Cavalier has served as Senior Vice President-General Counsel since January 2006, as Vice President-General Counsel since July 1999, as Assistant Secretary from December 2002 to December 2003 and as Secretary since December 2003. From July 1997 to July 1999, Mr. Cavalier was General Counsel of our company and from July 1993 to July 1997 was Associate General Counsel.

Walter Hebert, III has served as Senior Vice President — Purchasing since January 2007 and as Vice President — Purchasing since July 1997 and was the Director of Purchasing from October 1996 until July 1997. From December 1995 until October 1996, Mr. Hebert was the President of 2 Day Video, Inc., a 21-store video chain that was our subsidiary. Mr. Hebert is the brother of Tandy Mitchell.

Tom Owens has served as Senior Vice President — Real Estate since January 2007 and as Vice President-Development since December 2003 and as Director of Real Estate since April 2001. From 1998 to April 2001, Mr. Owens was President of NRE, a company he founded that specialized in the development and financing of motion picture theatres. From 1996 to 1998, Mr. Owens served as President of Silver Cinemas International, Inc., a motion picture exhibitor. From 1989 to 1996, Mr. Owens served as our Vice President — Development.

John Lundin has served as Vice President-Film Licensing since September 2000 and as Head Film Buyer from September 1997 to September 2000 and was a film buyer from September 1994 to September 1997.

Don Harton has served as Vice President-Construction since July 1997. From August 1996 to July 1997, Mr. Harton was Director of Construction.

Terrell Falk has served as Vice President-Marketing and Communications since April 2001. From March 1998 to April 2001, Ms. Falk was Director of Large Format Theatres, overseeing the marketing and operations of our IMAX theatres.

Benjamin D. Chereskin has served as a Director since April 2004. Mr. Chereskin is a Managing Director of MDP and co-founded the firm in 1993. Previously, Mr. Chereskin was with First Chicago Venture Capital for nine years. Mr. Chereskin currently serves on the Board of Directors of Tuesday Morning Corporation and National CineMedia L.L.C.

James N. Perry, Jr. has served as a Director since April 2004. Mr. Perry is a Managing Director of MDP and co-founded the firm in 1993. Previously, Mr. Perry was with First Chicago Venture Capital for eight years. Mr. Perry currently serves on the Board of Directors of Cbeyond Communications, Inc., Madison River Telephone Company, Intelsat Holdings, Ltd. and MetroPCS Communications, Inc.

Robin P. Selati has served as a Director since April 2004. Mr. Selati is a Managing Director of MDP and co-founded the firm in 1993. Previously, Mr. Selati was with Alex. Brown & Sons Incorporated, an investment bank. Mr. Selati currently serves on the Board of Directors of Tuesday Morning Corporation, Carrols Restaurant Group, Inc., Ruth's Chris Steak House, Inc. and Pierre Holding Corp.

Vahe A. Dombalagian has served as a Director since April 2004. Mr. Dombalagian is a Director of MDP and has been employed by the firm since July 2001. From August 1997 to August 1999, Mr. Dombalagian was an Associate with Texas Pacific Group, a private equity firm.

Enrique F. Senior has served as a Director since April 2005. Mr. Senior is a Managing Director of Allen & Company LLC, formerly Allen & Company Incorporated, and has been employed by the firm since 1973. Previously Mr. Senior was with White, Weld & Company for three years. Mr. Senior currently serves on the Board of Directors of Grupo Televisa S.A. de C.V. and Coca Cola FEMSA S.A. de C.V.

Peter R. Ezersky has served as a Director since April 2005. Mr. Ezersky is a Managing Principal of Quadrangle Group LLC and co-founded the firm in 2000. Previously, Mr. Ezersky was with Lazard Freres & Co. for ten years and The First Boston Corporation for four years. Mr. Ezersky currently serves on the Board of Directors of MGM Holdings, Dice Holdings and Publishing Group of America.

Raymond W. Syufy has served as a Director since October 2006. Mr. Syufy began working for Century in 1977 and held positions in each of the major departments within Century. In 1994, Mr. Syufy was named President of Century and was later appointed Chief Executive Officer and Chairman of the Board of Century. Mr. Syufy resigned as an officer and director of Century upon the consummation of the Century acquisition. Mr. Syufy currently serves as Chairman of the Board of the National Association of Theatre Owners of California and Nevada and as a director on the Board of Fandango, Inc. Mr. Syufy is the brother of Joseph Syufy.

Joseph E. Syufy has served as a Director since October 2006. Mr. Syufy began working for Century in 1981 and worked in various departments within Century. In 1999, Mr. Syufy was named President of Century and was later appointed Chief Executive Officer and then Vice Chairman of the Board of Century. Mr. Syufy resigned as an officer and director of Century upon the consummation of the Century acquisition. Mr. Syufy is the brother of Raymond Syufy.

Our Board of Directors and Committees

Board of Directors. We expect that our amended and restated certificate of incorporation will be amended in connection with the offering to authorize the Board of Directors to have between and directors as determined by our Board of Directors. We expect that, upon completion of this offering, our Board of Directors will consist of members and will be divided into three classes that serve staggered three-year terms, as follows:

Class	Members	Expiration of Term
Class I		
Class II		
Class III		

Newly elected directors and any additional directorships resulting from an increase in the number of directors will be distributed among the three classes so that, as nearly as possible, each class will consist of one-third of the directors.

The stockholders agreement currently contains a voting agreement pursuant to which the parties will vote their securities, and will take all other reasonably necessary or desirable actions, to elect and continue in office fourteen members of our Board of Directors, composed of two persons designated by Lee Roy Mitchell and the Mitchell Special Trust, or the Mitchell investors, nine persons designated by MDP, one person designated by Quadrangle Capital Partners LP, Quadrangle Select Partners LP, Quadrangle (Cinemark) Capital Partners LP and Quadrangle Capital Partners A LP, or Quadrangle, and two persons designated by Syufy. Our Board of Directors currently has five vacancies. We expect that the stockholders' agreement will be amended and restated upon completion of this offering.

Audit Committee. Upon completion of this offering, our audit committee will include one director who satisfies the independence requirements of current SEC rules and the listing standards of the New York Stock Exchange. Within one year after completion of the offering, we expect that our audit committee will be composed of three members who will satisfy the independence requirements of current SEC rules and the listing standards of the New York Stock Exchange. We also expect that one of the members of the audit committee will qualify as an audit committee financial expert as defined under these rules and listing standards, and the other members of our audit committee will satisfy the financial literacy standards for audit committee members under these rules and listing standards.

The functions of the audit committee will include the following:

- assist the Board of Directors in its oversight responsibilities regarding (1) the integrity of our financial statements, (2) our risk management compliance with legal and regulatory requirements, (3) our system of internal controls regarding finance and accounting and (4) our accounting, auditing and financial reporting processes generally, including the qualifications, independence and performance of the independent auditor;
- prepare the report required by the SEC for inclusion in our annual proxy or information statement;
- appoint, retain, compensate, evaluate and terminate our independent accountants;
- approve audit and non-audit services to be performed by the independent accountants;
- establish procedures for the receipt, retention and treatment of complaints received by our company regarding accounting, internal accounting controls or auditing matters, and the confidential, anonymous submission by employees of concerns regarding questionable accounting or auditing matters; and
- perform such other functions as the Board of Directors may from time to time assign to the audit committee.

The specific functions and responsibilities of the audit committee will be set forth in an audit committee charter.

Compensation Committee. Upon completion of this offering, we expect that our compensation committee will consist of two or more members that qualify as "outside directors" under Section 162(m) of the Internal Revenue Code of 1986, as amended, or the Code. The compensation committee will have a written charter setting forth the compensation committee's purpose and responsibilities. The principal responsibilities of the compensation committee will be to review and approve corporate goals and objectives relevant to the compensation of our officers, evaluate their performance in light of these goals, determine and approve our executive officers' compensation based on such evaluation, establish policies, and periodically determine matters involving compensation of officers, recommend changes in employee benefit programs, grant or recommend the grant of stock options and stock awards under our incentive plans and review the disclosures in the Compensation Discussion and Analysis and produce a committee report for inclusion in our proxy statement, information statement or annual report on Form 10-K, as required by the SEC.

Other Committees. Pursuant to our bylaws, our Board of Directors may, from time to time, establish other committees to facilitate the management of our business and operations. Because we are considered to be controlled by MDP under listing standards of the New York Stock Exchange, we are eligible for exemptions from provisions of these rules requiring a majority of independent directors, nominating and corporate governance and compensation committees composed entirely of independent directors as defined under the listing standards and written charters of these committees addressing specified matters. We intend to take advantage of certain of these exemptions. If we cease to be a controlled company within the meaning of these rules, we will be required to comply with these provisions after the specified transition periods.

Compensation Committee Interlocks and Insider Participation

None of our executive officers served as a member of the Board of Directors or the compensation committee of any entity that has one or more executive officers serving on our Board of Directors or on the compensation committee of our Board of Directors.

Executive Compensation

Compensation Discussion and Analysis

The compensation committee of the Board of Directors currently consists of one independent, non-employee director. The compensation committee is responsible for establishing the compensation for the company's chief executive officer and other senior executives, including all executive vice presidents. The compensation committee also establishes executive compensation policies, incentive compensation policies, employee benefit plans and determines cash and equity awards thereunder. In so doing, the compensation committee has the responsibility to develop, implement, and manage compensation policies and programs that seek to enhance our long term competitive advantage and sustainable profitability, thereby contributing to the value of our stockholders' investment. Our Board of Directors will adopt a written charter for the compensation committee setting forth the compensation committee's purpose and responsibilities.

Overview of Compensation Program

Our compensation programs are designed to attract, retain, and motivate key executive personnel who possess the skills and qualities necessary to successfully perform in this industry. Elements of compensation for our executives include: annual salary, stock option awards and cash bonus awards. In making compensation decisions with respect to each of these elements, the compensation committee considers the competitive market for executives and compensation levels provided by comparable companies. The compensation committee intends to review the compensation practices of companies in our peer group and companies of comparable size and financial performance with whom we compete for talent.

Components of Compensation

Base Salary

The compensation committee seeks to keep base salary competitive. Base salaries for the Chief Executive Officer and the other executive officers are determined by the compensation committee based on a variety of factors. These factors include the nature and responsibility of the position, the expertise of the individual executive, the competitiveness of the market for the executive's services and, except in the case of his own compensation, the recommendations of the chief executive officer.

Annual Performance-Based Cash Incentive Compensation

In setting compensation, the compensation committee considers annual cash incentives based on company performance to be an important tool in motivating and rewarding the performance of our executive officers. Performance-based cash incentive compensation is paid to our executive officers pursuant to our incentive bonus program.

Performance-based cash incentive compensation payouts to participants under our incentive bonus program are dependent upon our performance relative to Adjusted EBITDA target levels which are established at the beginning of each year. This plan provides named executive officers with a bonus of 20% of the executive's annual base salary if the minimum Adjusted EBITDA threshold is met and up to 80% of the executive's annual base salary if Adjusted EBITDA reaches the "stretch" goal. If our performance is between the minimum and maximum Adjusted EBITDA targets, such executives will receive a prorated bonus between 20% and 80% of his annual base salary. In 2005, the minimum Adjusted EBITDA target was not met and no plan participant received a bonus under our incentive bonus program.

Long Term Equity Incentive Compensation

We believe that long-term performance is achieved through an ownership culture that encourages such performance by our executive officers through the use of stock and stock-based awards. In December 2006, our Board of Directors and the majority of our stockholders approved the 2006 Long Term Incentive Plan, or 2006 Plan, under which shares of common stock are available for issuance to our selected employees, directors and consultants. The following awards may be granted under the 2006 Plan: (1) options intended to qualify as incentive stock options under Section 422 of the Code, (2) non-qualified stock options not specifically authorized or qualified for favorable federal income tax consequences, and (3) restricted stock awards consisting of shares of common stock that are subject to a substantial risk of forfeiture (vesting) restriction for some period of time. Our 2006 Plan was established to provide certain of our employees, including our executive officers, with incentives to help align those employees' interests with the interests of stockholders. The compensation committee believes that the use of stock and stock-based awards offers the best approach to achieving our compensation goals.

The 2006 Plan is substantially similar to the 2004 Long Term Incentive Plan, or 2004 Plan, created by Cinemark, Inc. The 2004 Plan was approved by Cinemark, Inc.'s Board of Directors and the majority of its stockholders on September 30, 2004. Under the 2004 Plan, Cinemark, Inc. made grants of options on two occasions. On September 30, 2004, options to purchase shares were granted with 9.9% vesting on the grant date and the remainder vesting daily on a pro rata basis through April 2, 2009. On January 28, 2005, more options to purchase shares were granted, which vest daily on a pro rata basis over five years. All options expire ten years after the date granted. In connection with the Century acquisition, we assumed the obligations of Cinemark, Inc. under the 2004 Plan to assure that stock acquired on exercise of an option issued under the 2004 Plan will be common stock of Cinemark Holdings, Inc. The terms of the option agreements entered into under the 2004 Plan will continue to govern the options. The option will otherwise be subject to the provisions in our 2006 Plan.

Perquisites

With limited exceptions, the compensation committee's policy is to provide benefits and perquisites to our executives that are substantially the same as those offered to our other employees at or above the level of vice president. The benefits and perquisites that may be available in addition to those available to our other employees include life insurance premiums and long term disability.

Summary of Compensation for our Named Executive Officers

Lee Roy Mitchell

For his service as our Chairman of the Board of Directors and Chief Executive Officer, Mr. Mitchell received a base salary of $763,958 during 2006. Mr. Mitchell's base salary is subject to annual review for increase (but not decrease) each year by our Board of Directors or committee or delegate thereof. In addition, Mr. Mitchell is eligible to receive an annual cash incentive bonus upon our meeting certain performance targets established by our Board of Directors or the compensation committee, as described above. Mr. Mitchell qualifies for our 401(k) matching program, pursuant to which he received $11,550 in company contributions in 2006. Mr. Mitchell is also entitled to additional fringe benefits including life insurance benefits of not less than $5 million, disability benefits of not less than 66% of base salary, a luxury automobile and a membership at a country club. Upon Mr. Mitchell's termination of employment, he is entitled to severance payments, the amount of which depends upon the reason for the termination of employment. In any case, Mr. Mitchell will receive all accrued compensation and benefits as well as any vested stock options. If his employment is terminated without cause or he resigns for good reason, Mr. Mitchell will also receive his annual base salary for a period of twelve months and an amount equal to the most recent annual bonus he received prior to the date of termination.

Alan W. Stock, Timothy Warner, Robert Copple and Robert Carmony

For their service as officers, Alan W. Stock, Timothy Warner, Robert Copple and Robert Carmony received a base salary during 2006 of $452,097, $366,616, $330,118 and $318,247, respectively. The base salary of each of Messrs. Stock, Warner, Copple and Carmony is subject to annual review for increase (but not decrease) each year by our Board of Directors or committee or delegate thereof. In addition, each of these employees is eligible to receive an annual cash incentive bonus upon our meeting certain performance targets established by our Board of Directors or the compensation committee, as described above. Messrs. Stock, Warner, Copple and Carmony each qualify for our 401(k) matching program, pursuant to which they each received $11,550 in company contributions in 2006. Each of Messrs. Stock, Warner, Copple and Carmony is also entitled to certain additional benefits including life insurance and disability benefits.

Compensation Committee

Upon completion of this offering, we expect to have a compensation committee consisting of at least two or more members. The principal responsibilities of the compensation committee will be to review and approve corporate goals and objectives relevant to the compensation of our executive officers, evaluate their performance in light of these goals, determine and approve our executive officers compensation based on such evaluation and establish policies including with respect to the following:

- the allocation between long-term and currently paid out compensation;
- the allocation between cash and non-cash compensation, and among different forms of non-cash compensation;
- the allocation among each different form of long-term award;
- how the determination is made as to when awards are granted, including awards of equity-based compensation such as options; and
- stock ownership guidelines and any policies regarding hedging the economic risk of such ownership.

Summary Compensation

The following table contains summary information concerning the total compensation earned during 2006 by our Chief Executive Officer, chief financial officer and our three other most highly compensated executive officers serving in this capacity as of December 31, 2006, whose total compensation exceeded $100,000 for the fiscal year ended December 31, 2006.

Summary Compensation Table for the Fiscal Year Ended December 31, 2006

Name and Principal Position	Year	Salary ($)	Bonus ($)(1)	Option Awards ($)(2)	All Other Compensation ($)	Total ($)
Lee Roy Mitchell Chairman of the Board(3)	2006	$ 763,958		$ —	$ 24,701(4)	$ 788,659
Alan W. Stock Chief Executive Officer(3)	2006	452,097		415,761	634,180(5)	1,502,038
Timothy Warner President and Chief Operating Officer(3)	2006	366,616		415,761	14,772(6)	797,149
Robert Copple Executive Vice President and Chief Financial Officer	2006	330,118		415,761	16,631(7)	762,510
Robert Carmony Senior Vice President — Operations	2006	318,247		270,244	15,578(8)	604,069

(1) We have not determined the amounts of the bonuses that are payable to the named executive officers for 2006. We expect to determine these amounts and pay the bonuses in February 2007.

(2) These amounts represent the dollar amount of compensation cost we recognized during 2006 for awards granted during 2004 based on the grant date fair value of the named executive officer's option awards in accordance with SFAS 123(R). See note 4 to our unaudited interim consolidated financial statements for assumptions used in determining compensation expense on options granted in accordance with SFAS 123R.

(3) Effective December 12, 2006, Mr. Mitchell stepped down as our Chief Executive Officer. Mr. Stock was elected to replace Mr. Mitchell as our Chief Executive Officer. Mr. Mitchell will continue to serve as our

Chairman of the Board of Directors. Mr. Stock had previously served as our President since March 1993 and as Chief Operating Officer since March 1992. Effective December 12, 2006, Mr. Warner was elected to replace Mr. Stock as our President and Chief Operating Officer. Mr. Warner had previously served as our Senior Vice President since May 2002 and President of Cinemark International, L.L.C. since April 1996.

(4) Represents an $11,550 annual matching contribution to Mr. Mitchell's 401(k) savings plan, $10,250 representing the value of the use of a company vehicle for one year and $2,901 of life insurance premiums and disability insurance paid by us for the benefit of Mr. Mitchell.

(5) Represents an $11,550 annual matching contribution to Mr. Stock's 401(k) savings plan, $3,793 of life insurance premiums and disability insurance paid by us for the benefit of Mr. Stock and payments of $618,837 under Mr. Stock's profit participation agreement for certain of our theatres.

(6) Represents an $11,550 annual matching contribution to Mr. Warner's 401(k) savings plan and $3,222 of life insurance premiums and disability insurance paid by us for the benefit of Mr. Warner.

(7) Represents an $11,550 annual matching contribution to Mr. Copple's 401(k) savings plan and $5,081 of life insurance premiums and disability insurance paid by us for the benefit of Mr. Copple.

(8) Represents an $11,550 annual matching contribution to Mr. Carmony's 401(k) savings plan and $4,028 of life insurance premiums and disability insurance paid by us for the benefit of Mr. Carmony.

There were no stock options or stock awards granted to the named executive officers during the year ended December 31, 2006. Whether there will be any performance-based cash incentive compensation payouts for 2006 and the amount of such payouts, if any, have not yet been determined. Performance-based cash incentive compensation payouts to participants under our incentive bonus programs are dependent upon our performance relative to Adjusted EBITDA target levels which are established at the beginning of each year and are typically determined and paid in late January or February of the following year. In 2005, the minimum Adjusted EBITDA target was not met and no plan participant received a bonus under our incentive bonus programs. We expect to determine and pay bonuses for 2006 in February 2007.

Grants of Plan-Based Awards

There were no stock option grants to the named executive officers during the fiscal year ended December 31, 2006.

Employment Agreements

Lee Roy Mitchell

We entered into an employment agreement with Lee Roy Mitchell pursuant to which Mr. Mitchell served as our Chief Executive Officer. The employment agreement became effective upon the consummation of the MDP Merger. Effective December 12, 2006, Mr. Mitchell stepped down as our Chief Executive Officer and will continue to serve as our Chairman of the Board of Directors, and his employment agreement was amended to reflect the change in duties. The initial term of the employment agreement is three years, ending on April 2, 2007, subject to an automatic extension for a one-year period, unless the employment agreement is terminated. Mr. Mitchell received a base salary of $763,958 during 2006, which is subject to annual review for increase (but not decrease) each year by our Board of Directors or committee or delegate thereof. In addition, Mr. Mitchell is eligible to receive an annual cash incentive bonus upon our meeting certain performance targets established by our Board of Directors or the compensation committee for the fiscal year. Mr. Mitchell is also entitled to additional fringe benefits including life insurance benefits of not less than $5 million, disability benefits of not less than 66% of base salary, a luxury automobile and a membership at a country club. The employment agreement provides for severance payments upon termination of employment, the amount and nature of which depends upon the reason for the termination of employment. If Mr. Mitchell resigns for good reason or is terminated by us without cause (as defined in the agreement), Mr. Mitchell will receive: accrued compensation (which includes base salary and a pro rata bonus) through the date of termination; any previously vested stock options and accrued benefits, such as retirement benefits, in accordance with the terms of the plan or agreement pursuant to which such options or benefits were granted;

his annual base salary as in effect at the time of termination for a period of twelve months following such termination; and an amount equal to the most recent annual bonus he received prior to the date of termination. Mr. Mitchell's equity-based or performance-based awards will become fully vested and exercisable upon such termination or resignation. Mr. Mitchell may choose to continue to participate in our benefit plans and insurance programs on the same terms as other actively employed senior executives for a one-year period.

In the event Mr. Mitchell's employment is terminated due to his death or disability, Mr. Mitchell or his estate will receive: accrued compensation (which includes base salary and a pro rata bonus) through the date of termination; any previously vested stock options and accrued benefits, such as retirement benefits, in accordance with the terms of the plan or agreement pursuant to which such options or benefits were granted; his annual base salary as in effect at the time of termination for a period of six months following such termination; a lump sum payment equal to an additional six months of base salary payable six months after the date of termination; and any benefits payable to Mr. Mitchell and/or his beneficiaries in accordance with the terms of any applicable benefit plan.

In the event Mr. Mitchell's employment is terminated by us for cause or under a voluntary termination (as defined in the agreement), Mr. Mitchell will receive accrued base salary through the date of termination and any previously vested rights under a stock option or similar incentive compensation plan in accordance with the terms of such plan.

Mr. Mitchell will also be entitled, for a period of five years, to tax preparation assistance upon termination of his employment for any reason other than for cause or under a voluntary termination. The employment agreement contains various covenants, including covenants related to confidentiality, non-competition (other than certain permitted activities as defined therein) and non-solicitation.

Tandy Mitchell, Alan Stock, Robert Copple, Timothy Warner, Robert Carmony, John Lundin and Michael Cavalier

We entered into executive employment agreements with each of Alan Stock, Timothy Warner, Tandy Mitchell, Robert Copple, Robert Carmony, Michael Cavalier and John Lundin pursuant to which Mr. Stock, Mr. Warner, Mrs. Mitchell and Messrs. Copple, Carmony, Cavalier and Lundin serve, respectively, as our Chief Executive Officer, President, Executive Vice President, Senior Vice President and Chief Financial Officer, Senior Vice President of Operations, Senior Vice President-General Counsel and Vice President of Film Licensing. The employment agreements became effective upon the consummation of the MDP Merger. Effective December 12, 2006, Mr. Stock was elected to replace Mr. Mitchell as our Chief Executive Officer, Mr. Warner was elected to replace Mr. Stock as our President and Chief Operating Officer and their employment agreements were amended to reflect the change in duties. Effective January 25, 2006, Mr. Copple was promoted to Executive Vice President and his employment agreement was amended to reflect this change. The initial term of each employment agreement is three years, ending on April 2, 2007, subject to automatic extensions for a one-year period at the end of each year of the term, unless the agreement is terminated. Pursuant to the employment agreements, each of these individuals receives a base salary, which is subject to annual review for increase (but not decrease) each year by our Board of Directors or committee or delegate thereof. In addition, each of these executives is eligible to receive an annual cash incentive bonus upon our meeting certain performance targets established by our Board of Directors or the compensation committee for the fiscal year.

Our Board of Directors has adopted a stock option plan and granted each executive stock options to acquire such number of shares as set forth in that executive's employment agreement. The executive's stock options vest and become exercisable twenty percent per year on a daily pro rata basis and shall be fully vested and exercisable five years after the date of the grant, as long as the executive remains continuously employed by us. Upon consummation of a sale of our company, the executive's stock options will accelerate and become fully vested.

The employment agreement with each executive provides for severance payments on substantially the same terms as the employment agreement for Mr. Mitchell except that the executive will receive his or her annual base salary in effect at the time of termination for a two year period commencing on the date of termination (rather than for twelve months) and an amount equal to the most recent annual bonus he or she received prior to the date of termination pro rated for the number of days between such termination and its second anniversary (rather than a single annual bonus).

Each executive will also be entitled to office space and support services for a period of not more than three months following the date of any termination except for termination for cause. The employment agreements contain various covenants, including covenants related to confidentiality, non-competition and non-solicitation.

401(k) Plan

We sponsor a defined contribution savings plan, or 401(k) Plan, whereby certain employees may elect to contribute, in whole percentages between 1% and 50% of such employee's compensation, provided no employee's elective contribution shall exceed the amount permitted under Section 402(g) of the Code ($15,000 in 2006). We may make an annual discretionary matching contribution. For plan years beginning in 2002, our discretionary matching contributions immediately vest.

2006 Long Term Incentive Plan

Cinemark Holdings, Inc. was formed on August 2, 2006 in connection with the planned acquisition pursuant to a stock purchase agreement, dated August 7, 2006, of Century by Cinemark USA, Inc. The Century acquisition was completed on October 5, 2006. On October 5, 2006, pursuant a Contribution and Exchange Agreement, dated August 7, 2006, among the then stockholders of Cinemark, Inc., the parties exchanged their shares of Class A common stock of Cinemark, Inc. for shares of common stock of Cinemark Holdings, Inc. In connection with the Century acquisition, we assumed the obligations of Cinemark, Inc. under the 2004 Plan to assure that stock acquired on exercise of an option issued under the 2004 Plan will be common stock of Cinemark Holdings, Inc. The terms of the option agreements entered into under the 2004 Plan will continue to govern the options. The options will otherwise be subject to the provisions in our 2006 Plan described below.

In December 2006, our Board of Directors and the majority of our stockholders approved the 2006 Plan under which shares of common stock are available for issuance to our selected employees, directors and consultants. There are currently options to purchase shares of common stock outstanding under the 2006 Plan with a weighted average exercise price of $ per share. The board of Cinemark, Inc. has amended the 2004 Plan to provide that no additional awards may be granted under the 2004 Plan. The 2006 Plan is substantially similar to the 2004 Plan.

Types of Awards. The following awards may be granted under the 2006 Plan: (1) options intended to qualify as incentive stock options under Section 422 of the Code, (2) non-qualified stock options not specifically authorized or qualified for favorable federal income tax consequences, and (3) restricted stock awards consisting of shares of common stock that are subject to a substantial risk of forfeiture (vesting) restriction for some period of time.

Administration. The 2006 Plan is administered by our Board of Directors, or in the discretion of our Board of Directors, by a committee consisting of two or more of our directors. Authority to administer the 2006 Plan has been delegated to the compensation committee, or the administrator, which has full and final authority to make awards, establish the terms thereof, and administer and interpret the 2006 Plan in its sole discretion unless authority is specifically reserved to our Board of Directors under the 2006 Plan, our amended and restated certificate of incorporation or bylaws, or applicable law. The administrator may delegate duties to one or more of our executive officers, including the ability to make awards within designated parameters that do not involve "Covered Employees" within the meaning of Section 162(m) of the Code or "insiders" within the meaning of Section 16 of the Securities Exchange Act of 1934, as amended, or the Securities Exchange Act. The 2006 Plan administrator has exclusive authority to determine employees to whom awards will be granted, the timing and manner of the grant of awards, the number of shares to be subject to any award, the purchase price or exercise price and medium of payment, vesting provisions and repurchase provisions and to specify the provisions of any agreement relating to such grant or sale, the duration and purpose of leaves of absence which may be granted to optionees and grantees without constituting termination of employment for purposes of the 2006 Plan and all other discretionary determinations necessary or advisable for administration of the 2006 Plan.

Eligibility. Any employee, director or consultant of our or any of our subsidiaries who is designated by the administrator is eligible to receive an award under the 2006 Plan. Incentive stock options may only be granted to a person employed by us or by one of our subsidiaries.

Shares Subject to the 2006 Plan. The aggregate number of shares which may be issued under the 2006 Plan consists of shares of our common stock, subject to certain adjustments.

Terms and Conditions of Options. The exercise price for the shares subject to any option granted under the 2006 Plan may not be less than 100% of the fair market value of the shares of our common stock on the date the option is granted. However, the options issued under the 2004 Plan will continue to have the fair market value exercise price originally determined under the 2004 Plan on the original grant date of such options.

The purchase price for any shares purchased pursuant to exercise of an option must be paid in full upon exercise of the option in cash or, at the sole discretion of the administrator, upon such terms and conditions as it may approve, by transferring to us for redemption shares of previously acquired common stock at the fair market value or, provided our common stock is publicly traded, by a broker assisted cashless exercise procedure.

Incentive stock options are non-transferable, except as permitted by the administrator in its sole discretion. If an incentive stock option is granted to an employee who owns 10% or more of our common stock, the exercise price of that option may not be less than 110% of the fair market value of the common stock on the option grant date and the option is not exercisable after the expiration of five years from such option grant date. The 2006 Plan also provides for grants of nonqualified stock options to any employees, directors or consultants performing services for us or our subsidiaries. The exercise price for nonqualified stock options granted under the 2006 Plan may not be less than 100% of the fair market value of the common stock on the option grant date. Under the 2006 Plan, options vest according to the provisions of the applicable option agreement, and terminate on the tenth anniversary of the date of grant. Upon the sale of our company, all outstanding options become fully vested and exercisable.

No option is exercisable after the earliest of the following: (1) the expiration of ten years after the date the option is granted; (2) three months after the date the optionee's continuous service as an employee, director or consultant with us and our subsidiaries terminates if termination is for any reason other than permanent disability, death, or cause; (3) the date the optionee's continuous service terminates if termination is for cause; (4) one year after the date the optionee's continuous service terminates if termination is a result of death; or (5) six months after the date the optionee's continuous service terminates if termination is a result of permanent disability.

To the extent the aggregate fair market value (determined as of the time the option is granted) of stock with respect to which incentive stock options are exercisable by any employee for the first time during any calendar year exceeds $100,000, the options or portions thereof will be treated as nonstatutory options and will not be treated as incentive stock options.

Restricted Stock Awards. The administrator may award (or sell at a purchase price determined by the administrator) restricted shares of our common stock to our employees, directors and consultants. The restricted stock may not be sold, assigned, transferred or otherwise disposed of for such period as the administrator shall determine. The vesting of an award of restricted stock will be determined by the administrator for each grant. In the event a recipient's continuous service to us terminates, we may reacquire that unvested shares acquired in consideration of past services and all unvested shares of restricted stock as of the date of termination will be forfeited. If restricted stock is acquired for consideration other than prior services, the forfeiture will be accomplished by repurchasing the shares at the lesser of the original purchase price or the current fair market value. The administrator, in its sole discretion, may (but shall not be required to) provide for payment of a concurrent cash award in an amount equal, in whole or in part, to the estimated after tax amount required to satisfy applicable federal, state or local tax withholding obligations arising from the receipt and deemed vesting of restricted stock for which an election under Section 83(b) of the Code may be required. Until all restrictions upon restricted stock awarded to a participant have lapsed, the participant may not have rights to receive dividends and voting rights with respect to the restricted stock. The agreement evidencing the award of restricted stock will set forth any such terms and conditions. Upon a change of control of our company, all outstanding shares of restricted stock become fully vested.

Effect of the Sale of Our Company. Upon the sale of our company, all outstanding options become fully vested and exercisable and all outstanding shares of restricted stock become fully vested. At the time of a sale of our company, the administrator will cancel any or all outstanding options in exchange for a payment to the option holder in an amount equal to the value of the option under the terms of the sale of our company, minus any required withholding tax. In addition, the administrator will cause our company to purchase all restricted shares at a price determined according to the terms of the sale of our company. The payment of the applicable amounts described above may be made in cash or, if the transaction resulting in the sale of our company includes consideration in the form of securities, in a combination of cash and publicly traded securities, in the administrator's discretion.

Effect of Mergers, Reorganizations and Consolidations on Awards. In the event of our liquidation or merger, reorganization or consolidation with any other corporation in which we are not the surviving corporation or we become a subsidiary of another corporation, the maximum number of shares of common stock subject to options or awards under the 2006 Plan and the number of shares and exercise price per share subject to outstanding options or awards under the 2006 Plan will be appropriately adjusted by the administrator to reflect any increase or decrease in the number of outstanding shares of common stock. Any outstanding awards previously granted under the 2006 Plan must either (1) be assumed or replaced by substitute awards by the surviving corporation or (2) continued in accordance with their terms.

Plan Amendments. The 2006 Plan may be terminated or amended by our Board of Directors. Without the authorization and approval of the stockholders, however, our Board of Directors may not make any amendments which would (1) increase the total number of shares covered by the 2006 Plan, (2) change the class of persons eligible to participate, or (3) extend the term of the 2006 Plan beyond ten years from the date of adoption.

Term of 2006 Plan. Unless sooner terminated by our Board of Directors in its sole discretion, the 2006 Plan, as amended, will expire on September 29, 2014.

Outstanding Equity Awards

The following table sets forth certain information concerning unexercised options for each named executive officer outstanding as of December 31, 2006. There were no outstanding stock awards as of December 31, 2006.

Outstanding Equity Awards at December 31, 2006 Table

	Option Awards			
Name	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Option Exercise Price ($)	Option Expiration Date
Lee Roy Mitchell	—	—	—	—
Alan W. Stock				September 29, 2014
Timothy Warner				September 29, 2014
Robert Copple				September 29, 2014
Robert Carmony				September 29, 2014

Option Exercises

There were no exercises of stock options by the named executive officers during the year ended December 31, 2006.

Potential Payments upon Termination or Change-in-Control

Our employment agreements with the named executive officers will require us to provide compensation to named executive officers in the event of a termination of employment by us without cause or by the named executive officer for good reason. The amount of compensation payable to each named executive officer upon such termination is listed in the table below assuming such triggering event occurred on December 31, 2006.

	Salary	Most Recent Bonus(1)	Medical / Dental	Other Life	Group Life	Disability(2)	Total
Lee Roy Mitchell	$ 763,958	$ —	$ 4,864	—	$ 648	$ 2,253	$ 771,723
Alan W. Stock	452,097	—	11,549	—	1,080	2,713	467,439
Timothy Warner	366,616	—	9,753	—	1,092	2,130	379,591
Robert Copple	330,118	—	11,549	890	1,071	3,120	346,748
Robert Carmony	318,247	—	4,864	—	1,080	2,948	327,139

(1) In 2005, the minimum Adjusted EBITDA target was not met and no plan participant received a bonus under our incentive bonus program.

(2) Amounts for disability include long-term disability, individual disability income protection insurance and short-term disability.

In addition, upon a change of control of our company, through the sale of capital stock of our company or a sale of substantially all of the assets of our company, all outstanding options will become fully vested and exercisable.

Compensation of Directors

The following table sets forth certain information concerning the compensation of our directors for year ended December 31, 2006.

Director Compensation Table for the Fiscal Year Ended December 31, 2006

Name	Fees Earned or Paid in Cash ($)	Total ($)
Benjamin D. Chereskin	—	—
James N. Perry, Jr.	—	—
Robin P. Selati	—	—
Vahe A. Dombalagian	—	—
Peter R. Ezersky	—	—
Enrique F. Senior(1)	219,746	219,746
Raymond W. Syufy(2)	—	—
Joseph E. Syufy(2)	—	—

(1) On January 19, 2007, we made a cash payment of $219,746 to Mr. Senior for his services on our Board of Directors through December 31, 2006. In addition, on , 2007 we granted Mr. Senior options to purchase shares of common stock at $ per share. Of the options, were vested on the date of grant and will vest quarterly until April 2009.

(2) Effective upon completion of the Century acquisition on October 5, 2006, we appointed Raymond W. Syufy and Joseph E. Syufy to our Board of Directors.

Our directors are reimbursed for expenses actually incurred for each Board of Directors meeting which they attend. In addition, our non-employee directors may receive a fee for each meeting of the Board of Directors attended. We may grant non-employee directors non-qualified stock options to purchase shares of our common stock on a periodic basis in an amount and with a vesting schedule to be determined by our Board of Directors. We have agreed to make quarterly payments to Mr. Senior in the amount of $20,844 for services on our Board of Directors. We also anticipate that the chairperson of the audit committee, the compensation committee and the nominating and corporate governance committee, if any, will receive reasonable and customary additional annual retainers. Members of our Board of Directors who are also officers or employees of our company will not receive compensation for their services as director.

Limitations of Liability and Indemnification of Directors and Officers

Amended and Restated Certificate of Incorporation and Bylaws

Our amended and restated certificate of incorporation will provide that no director shall be personally liable to us or any of our stockholders for monetary damages resulting from breaches of their fiduciary duty as directors, except to the extent such limitation on or exemption from liability is not permitted under the Delaware General Corporation Law. The effect of this provision of our amended and restated certificate of incorporation is to eliminate our rights and those of our stockholders (through stockholders' derivative suits on our behalf) to recover monetary damages against a director for breach of the fiduciary duty of care as a director, including breaches resulting from negligent or grossly negligent behavior, except, as restricted by the Delaware General Corporation Law:

- for any breach of the director's duty of loyalty to the company or its stockholders;
- for acts or omissions not in good faith or that involve intentional misconduct or a knowing violation of law;
- in respect of certain unlawful dividend payments or stock redemptions or repurchases; and
- for any transaction from which the director derives an improper personal benefit.

This provision does not limit or eliminate our rights or the rights of any stockholder to seek non-monetary relief, such as an injunction or rescission, in the event of a breach of a director's duty of care.

Our amended and restated certificate of incorporation also provides that we will, to the fullest extent permitted by Delaware law, indemnify our directors and officers against losses that they may incur in investigations and legal proceedings resulting from their service.

Our bylaws include provisions relating to advancement of expenses and indemnification rights consistent with those provided in our amended and restated certificate of incorporation. In addition, our bylaws provide:

- for a right of indemnitee to bring a suit in the event a claim for indemnification or advancement of expenses is not paid in full by us within a specified period of time; and
- permit us to purchase and maintain insurance, at our expense, to protect us and any of our directors, officers and employees against any loss, whether or not we would have the power to indemnify that person against that loss under Delaware law.

Liability Insurance

We provide liability insurance for our current directors and officers.

At present, there is no pending litigation or proceeding involving any of our directors, officers or employees for which indemnification from us is sought. We are not aware of any threatened litigation that may result in claims for indemnification from us.

PRINCIPAL AND SELLING STOCKHOLDERS

Beneficial Ownership

The following table presents information regarding beneficial ownership of our common stock as of the date hereof, before and after this offering by:

- each person known by us to beneficially hold five percent or more of our outstanding common stock;
- each of our directors;
- each of our named executive officers;
- all of our executive officers and directors as a group; and
- the selling stockholders.

Beneficial ownership has been determined in accordance with the applicable rules and regulations, promulgated under the Securities Exchange Act. Unless indicated below, to our knowledge, the persons and entities named in the table have sole voting and sole investment power with respect to all shares beneficially owned, subject to community property laws where applicable. Shares of our common stock subject to options that are currently exercisable or exercisable within 60 days of the date hereof are deemed to be outstanding and to be beneficially owned by the person holding the options for the purpose of computing the percentage ownership of that person but are not treated as outstanding for the purpose of computing the percentage ownership of any other person. Percentage ownership is based on shares of common stock issued and outstanding as of the date hereof. As of the date hereof, there were holders of record of our common stock.

Names of Beneficial Owner	Beneficial Ownership Prior to the Offering		Shares to be Sold in the Offering	Beneficial Ownership Immediately After the Offering	
	Number	Percent		Number	Percent
5% Stockholders					
Madison Dearborn Capital Partners IV, L.P.(1)		66.3%			%
Quadrangle Capital Partners LP(2)		7.1%			%
Syufy Enterprises LP(3)		10.8%			%
Directors and Named Executive Officers					
Lee Roy Mitchell(4)		14.2%			%
Alan W. Stock(5)		*			%
Timothy Warner(6)		*			%
Robert Copple(7)		*			%
Robert Carmony(8)		*			%
Benjamin D. Chereskin(9)		66.3%			%
James N. Perry, Jr.(9)		66.3%			%
Robin P. Selati(9)		66.3%			%
Vahe A. Dombalagian(9)		66.3%			%
Enrique F. Senior		—			%
Peter R. Ezersky(10)		7.1%			%
Raymond W. Syufy(11)		10.8%			%
Joseph E. Syufy(11)		10.8%			%
All directors and executive officers as a group (20 persons)(12)		99.3%			%

* Represents less than 1%

(1) Includes shares owned by Northwestern University, shares owned by John Madigan and shares owned by K&E Investment Partners, L.P. — 2004-B DIF. MDP has an irrevocable proxy to vote these shares in all matters subject to stockholder approval. The address of Madison Dearborn Capital Partners IV, L.P. is Three First National Plaza, Suite 3800, 70 West Madison Street, Chicago, Illinois 60602.

(2) Includes shares owned by Quadrangle Select Partners LP, shares owned by Quadrangle Capital Partners A LP and shares owned by Quadrangle (Cinemark) Capital Partners LP. Quadrangle GP Investors LLC is the general partner of Quadrangle GP Investors LP. Quadrangle GP Investors LP is the general partner of Quadrangle Capital Partners LP, Quadrangle Select Partners LP, Quadrangle Capital Partners A LP and Quadrangle (Cinemark) Capital Partners LP. Quadrangle Capital Partners LP disclaims beneficial ownership of all shares held by Quadrangle Select Partners LP and Quadrangle Capital Partners A LP. The address of Quadrangle Capital Partners LP is c/o Quadrangle Group LLC, 375 Park Avenue, New York, New York 10152.

(3) The address of Syufy Enterprises LP is 150 Pelican Way, San Rafael, California 94901.

(4) Includes shares of common stock owned by the Mitchell Special Trust. Mr. Mitchell is the co-trustee of the Mitchell Special Trust. Mr. Mitchell expressly disclaims beneficial ownership of all shares held by the Mitchell Special Trust. Mr. Mitchell's address is c/o Cinemark, Inc., 3900 Dallas Parkway, Suite 500, Plano, Texas 75093.

(5) Includes shares of common stock issuable upon the exercise of options that may be exercised within 60 days of the date hereof.

(6) Includes shares of common stock issuable upon the exercise of options that may be exercised within 60 days of the date hereof.

(7) Includes shares of common stock issuable upon the exercise of options that may be exercised within 60 days of the date hereof.

(8) Includes shares of common stock issuable upon the exercise of options that may be exercised within 60 days of the date hereof.

(9) The shares beneficially owned by MDCP IV may be deemed to be beneficially owned by Madison Dearborn Partners IV, L.P. (or MDP IV), the sole general partner of MDCP IV. John A. Canning, Jr., Paul J. Finnegan and Samuel M. Mencoff are the sole members of a limited partner committee of MDP IV that has the power, acting by majority vote, to vote or dispose of the shares beneficially held by MDCP IV. Messrs. Chereskin, Perry and Selati are each limited partners of MDP IV and Managing Directors and Members of Madison Dearborn Partners, LLC (the general partner of MDP IV), and therefore may be deemed to share beneficial ownership of the shares beneficially owned by MDCP IV. Mr. Dombalagian is a limited partner of MDP IV and a Director of Madison Dearborn Partners, LLC, and therefore may be deemed to share beneficial ownership of the shares beneficially owned by MDCP IV. Messrs. Canning, Finnegan, Mencoff, Chereskin, Perry, Selati and Dombalagian and MDP IV each hereby disclaims any beneficial ownership of any shares beneficially owned by MDCP IV. The address for each person named in this footnote is Three First National Plaza, Suite 3800, 70 West Madison Street, Chicago, Illinois 60602.

(10) Mr. Ezersky is a Managing Member of Quadrangle GP Investors LLC, which is the general partner of Quadrangle GP Investors LP. Quadrangle GP Investors LP is the general partner of Quadrangle Capital Partners LP, Quadrangle Select Partners LP, Quadrangle Capital Partners A LP and Quadrangle (Cinemark) Capital Partners LP, and he may therefore be deemed to share beneficial ownership of the shares owned by Quadrangle Capital Partners LP, the shares owned by Quadrangle Select Partners LP, the shares owned by Quadrangle Capital Partners A LP and the shares owned by Quadrangle (Cinemark) Capital Partners LP. Mr. Ezersky expressly disclaims beneficial ownership of the shares owned by Quadrangle Capital Partners LP, Quadrangle Select Partners LP, Quadrangle Capital Partners A LP and Quadrangle (Cinemark) Capital Partners LP.

(11) Raymond Syufy and Joseph Syufy are executive officers of the general partner of Syufy Enterprises LP and they may therefore be deemed to share beneficial ownership of the shares owned by Syufy Enterprises LP. Raymond Syufy and Joseph Syufy expressly disclaim beneficial ownership of the shares owned by Syufy Enterprises LP.

(12) Includes shares of common stock issuable upon the exercise of options that may be exercised within 60 days of the date hereof.

CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

Certain Agreements

We lease one theatre from Plitt Plaza Joint Venture, or Plitt Plaza. Plitt Plaza is indirectly owned by Lee Roy Mitchell. Annual rent is approximately $0.12 million plus certain taxes, maintenance expenses and insurance. We recorded $0.11 million of facility lease expense payable to Plitt Plaza during the nine months ended September 30, 2006 and $0.29 million, $0.14 million, and $0.15 million during the years ended December 31, 2003, 2004, and 2005, respectively.

We manage one theatre for Laredo Theatre, Ltd., or Laredo. We are the sole general partner and own 75% of the limited partnership interests of Laredo. Lone Star Theatres, Inc. owns the remaining 25% of the limited partnership interests in Laredo and is 100% owned by Mr. David Roberts, Lee Roy Mitchell's son-in-law. Under the agreement, management fees are paid by Laredo to us at a rate of 5% of annual theatre revenues up to $50 million and 3% of annual theatre revenues in excess of $50 million. We recorded $0.22 million, $0.19 million, and $0.20 million of management fee revenue and received $0.68 million, $0.56 million, and $0.68 million in distributions during the years ended December 31, 2003, 2004, and 2005, respectively. We recorded $0.17 million of management fee revenues and received $0.30 million in distributions from Laredo during the nine months ended September 30, 2006. As the sole general partner and the majority limited partner of Laredo, we control the affairs of the limited partnership and have the rights to dissolve the partnership or sell the theatre. We also have a license agreement with Laredo permitting Laredo to use the "Cinemark" service mark, name and corresponding logos and insignias in Laredo, Texas.

Our subsidiary, Century Theatres, Inc., leases 25 theatres and two parking facilities from Syufy Enterprises, LP or affiliates of Syufy, which owns approximately 10.8% of our issued and outstanding shares of common stock. Raymond Syufy and Joseph Syufy are two of our directors and are officers of the general partner of Syufy Enterprises, LP. Of these 27 leases, 22 have fixed minimum annual rent in an aggregate amount of approximately $23.5 million.

Of these 22 leases with fixed minimum annual rent, 17 have a remaining lease term plus extension option(s) that exceed 30 years, four have a remaining lease term plus extension option(s) that exceed 18 years, and one has a remaining lease term of approximately three years. Three of these 22 leases have triggering events that allow us to convert the fixed minimum rent to a fixed percentage of gross sales as defined in the lease with the further right to terminate the lease if the theatre level cash flow drops below $0. Five of these 22 leases have triggering events that allow us to terminate the lease prior to expiration of the term. The five leases without minimum annual rent have rent based upon a specified percentage of gross sales as defined in the lease with no minimum annual rent. Four of these percentage rent leases have a 12 month term plus automatic 12 month renewal options, and we have the right to terminate the lease if the theatre level cash flow drops below $0. One of these percentage rent leases has a remaining term of 21 months, and Syufy has the right to terminate this lease prior to the end of the term.

Century also has an office lease with Syufy for corporate office space in San Rafael, California. The lease will expire in September 2008. The lease has a fixed minimum annual rent of approximately $0.3 million.

Profit Participation

We entered into an amended and restated profit participation agreement on March 12, 2004 with Mr. Stock, which became effective April 2, 2004 and amends an amended and restated profit participation agreement with Mr. Stock effective May 19, 2002. Under the agreement, Mr. Stock receives a profit interest in two theatres once we have recovered our capital investment in these theatres plus our borrowing costs. Under the agreement, operating losses and disposition losses for any year are allocated 100% to our company. Operating profits and disposition profits for these theatres for any fiscal year are allocated first to our company to the extent of total operating losses and losses from any disposition of these theatres. Thereafter, net cash from operations from these theatres or from any disposition of these theatres is paid first to our company until such payments equal our investment in these theatres, plus interest, and then 51% to our company and 49% to Mr. Stock. We paid $0.4 million, $0.7 million and $0.5 million to Mr. Stock during the years ended December 31, 2004 and 2005 and the nine months ended September 30, 2006, respectively, for amounts earned during 2004, 2005 and 2006, respectively. In the event that Mr. Stock's employment is terminated without cause, profits will be distributed according to a formula set forth in the profit participation agreement. Upon consummation of the offering, we will have the option to purchase Mr. Stock's interest in the theatres for a price equal to the greater of (1) stated price reduced by any payments received by Mr. Stock during the term and (2) 49% of adjusted theatre level cash flow multiplied by seven, plus cash and value of inventory associated with the two theatres, minus necessary reserves, minus accrued liabilities and accounts payable associated with the two theatres. We do not intend to enter into similar arrangements with our executive officers in the future.

Stockholders Agreement

On August 7, 2006, the following stockholders entered into a stockholder agreement with us: Madison Dearborn Capital Partners IV, L.P., Lee Roy Mitchell, The Mitchell Special Trust, Quadrangle Capital Partners LP, Quadrangle Select Partners LP, Quadrangle Capital Partners A LP, Quadrangle (Cinemark) Capital Partners LP, Syufy Enterprises, LP, Century Theatres Holdings, LLC, Alan W. Stock, Timothy Warner, Robert Copple, Michael Cavalier, Northwestern University, K & E Investment Partners, LLC -2004-B DIF, Piola Investments, Ltd. and John Madigan. The stockholders agreement became effective on October 5, 2006 upon the consummation of the Century acquisition.

Board Designation and Observer Rights. Under the stockholders agreement, the size of our Board of Directors is set at fourteen. Our Board of Directors currently has five vacancies. MDP has the right to designate up to nine of the nominees for election to our Board of Directors as long as it continues to own at least 5% of our common stock. The Mitchell investors have the right to designate up to two of the nominees for election to our Board of Directors as long as they continue to beneficially own at least 9% of our common stock and will continue to have the right to designate up to one of the nominees for election to our Board of Directors if they beneficially own less than 9% but more than 3% of our common stock. Mr. Mitchell is a current designee of the Mitchell investors, whose term expires upon death, resignation or removal. Subject to certain exceptions, the parties have agreed to take all reasonably necessary action so that Mr. Mitchell will serve as the Chairman of the board. If the Mitchell investors beneficially own less than 3% of our common stock but more than 2% of our common stock, they will continue to have certain board observer rights. Quadrangle has the right to designate one of the nominees for election to our Board of Directors as long as they continue to own at least 3% of our common stock provided that at the time the Quadrangle investors no longer have rights to designate the director, the number of designees nominated by MDP shall be increased by one. If Quadrangle beneficially owns less than 3% of our common stock but more than 2% of our common stock, it will continue to have certain board observer rights. Peter R. Ezersky is the current Quadrangle designee, whose term expires upon death, resignation or removal. Syufy has the right to designate up to two of the nominees for election to our Board of Directors as long as it continues to own at least 7% of our common stock and will continue to have the right to designate up to one of the nominees for election to our Board of Directors if it beneficially owns less than 7% but more than 3% of our common stock. Joseph Syufy and Raymond W. Syufy are the current Syufy designees, whose terms expire upon death, resignation or removal. If Syufy beneficially owns less than 3% of our common stock but more than 2% of our common stock, it will continue to have certain board observer rights.

Transfer restrictions. Parties to the stockholders agreement may not transfer shares, other than in an exempt transfer, which includes transfers to affiliates, transfers to family members in the case of a natural person, transfers in connection with certain sales of our company approved by our Board of Directors or by MDP, transfers by MDP to Quadrangle and transfers by the management investors to us. Any such transferees will agree in writing to be bound by the provisions of the stockholders agreement. These transfer restrictions do not apply in the context of an initial public offering and terminate as to each share after the sale of that share pursuant to a registration under the Securities Act or Rule 144 promulgated thereunder.

Rights of first refusal. We and MDP are granted certain rights of first refusal in connection with certain sales of our shares by any of the other stockholders or their permitted assigns. We are granted certain rights of refusal in connection with certain transfers of our shares by MDP to any of our competitors. These rights of first refusal do not apply in the context of our initial public offering and terminate as to each share after the sale of that share pursuant to a registration under the Securities Act or Rule 144 promulgated thereunder.

Participation rights. Pursuant to the stockholders agreement, the Mitchell investors, Quadrangle, Syufy, the other stockholders which acquired our common stock from MDP and the management investors are granted certain "tag-along" rights, which entitle them to participate in certain sales by MDP of the shares of our common stock held by MDP. These participation rights do not apply in the context of our initial public offering and terminate as to each share after the sale of that share pursuant to a registration under the Securities Act or Rule 144 promulgated thereunder.

Sale of Cinemark, Inc. Subject to certain exceptions, if our Board of Directors or MDP approves a sale of our company, each of the stockholders will vote for and consent to the approved sale and will take all necessary and desirable actions in connection with the consummation of the approved sale as reasonably requested by the Board of Directors or by MDP.

Holdback agreement. No management investor or his permitted transferee shall sell any of our equity securities or any securities convertible into or exchangeable or exercisable for such securities, during the seven days prior to and the 180-day period beginning on the effective date of any underwritten demand registration or any underwritten piggyback registration pursuant to the equity registration agreement.

Preemptive rights. If we propose to issue any additional shares of our common stock or of any other capital stock, or any securities convertible into or exchangeable or exercisable for shares of our capital stock, subject to certain exceptions, we will offer to each stockholder party to the stockholders agreement a portion of the number of such securities proposed to be sold in any such transaction. These rights do not apply in the context of an initial public offering.

Anti-takeover measures. Prior to the commencement of an initial public offering of our shares, MDP may request that our Board of Directors adopt reasonable and customary anti-takeover measures, except to the extent that our Board of Directors determines in the observance of its fiduciary duties that any such measures are not in the best interest of our stockholders, or the underwriter managing the initial public offering advises us that any such measures will adversely affect such offering or the offering price.

Equity Registration Agreement

On August 7, 2006, we entered into a registration agreement with the following stockholders: Madison Dearborn Capital Partners IV, L.P., Lee Roy Mitchell, The Mitchell Special Trust, Quadrangle Capital Partners LP, Quadrangle Select Partners LP, Quadrangle Capital Partners A LP, Quadrangle (Cinemark) Capital Partners LP, Syufy Enterprises, LP, Century Theatres Holdings, LLC, Alan W. Stock, Timothy Warner, Robert Copple, Michael Cavalier, Northwestern University, K & E Investment Partners, LLC -2004-B DIF, Piola Investments, Ltd. and John Madigan. The registration agreement became effective on October 5, 2006 upon the consummation of the Century acquisition.

Demand registrations. Under the registration agreement, the holders of at least a majority of the registrable securities, as defined in the registration agreement, held by the MDP investors have the right at any time, subject to certain conditions, to require us to register any or all of their common stock under the Securities Act on a registration statement on Form S-1 or any similar long-form registration at our expense. The holders of a majority of the registrable securities held by the Mitchell investors have the right, upon the first to occur of (1) April 2, 2007, (2) 180 days after the completion of an initial public offering of our common stock, and (3) our achievement of certain financial targets as set forth therein for any two consecutive fiscal years prior to the end of 2008, subject to certain conditions, to require us to register any or all of their common stock on a registration statement on Form S-1 or any similar long-form registration at our expense. The holders of a majority of the registrable securities held by Quadrangle or Syufy, each as a separate group, have the right, at any time after 180 days after the completion of an initial public offering of our common stock, subject to certain conditions, to require us to register at a certain minimum price any or all of their common stock on a registration statement on Form S-1 or any similar long-form registration at our expense. In addition, the holders of a majority of the registrable securities held by the MDP investors, the Mitchell investors, Quadrangle and Syufy, each as a separate group, have the right any time after this offering, subject to conditions, to require us to register any or all of their common stock on a registration statement on Form S-3 or any similar short-form registration, if available. Upon an exercise of demand rights by a holder, all other holders of registrable securities are entitled to request the inclusion of their securities in such registration. We refer to each of these types of registrations as "demand registrations."

We are not required, however, to effect any registration within 180 days of the effective date of a previous demand registration or a previous registration in which holders of the registrable securities were given piggyback rights. In addition, we may postpone for up to 180 days the filing or the effectiveness of a registration statement for a demand registration no more than once in any twelve month period, if our Board of Directors determines that the demand registration would reasonably be expected to have a material adverse effect on any proposal or plan by us or any of our subsidiaries to engage in any acquisition or sale of assets, or any merger, consolidation, tender offer, acquisition, recapitalization, reorganization or similar transaction.

Piggyback registrations. All holders of registrable securities are entitled to request the inclusion of their securities in any registration statement at our expense whenever we propose to register any offering of our equity securities (other than pursuant to a demand registration). The registration form to be used may be used for the registration of such registrable securities.

Holdback agreement. Each holder of registrable securities has agreed not to effect any public sale or distribution of our equity securities or any securities convertible into or exchangeable or exercisable for such securities, during the seven days prior to and the 180-day period beginning on the effective date of any underwritten demand registration or any underwritten piggyback registration (except as part of that registration or if the underwriters otherwise agree). We have agreed not to, and have agreed to cause any 5% holder of our common stock purchased from us (other than in a registered public offering) to agree not to, effect any public sale or distribution of our equity securities or any securities convertible into or exchangeable or exercisable for such securities, during the same time period.

Indemnification. In connection with all registrations pursuant to the registration agreement, we have agreed to indemnify the holders of registrable securities against liabilities relating to the registration, including liabilities under the Securities Act.

Policies and Procedures for Review and Approval of Related Party Transactions

Concurrently with this offering, our Board of Directors will adopt policies and procedures for the review, approval and ratification of related party transactions. We expect that such policies and procedures will provide that related party transactions must be approved by our audit committee or a majority of our disinterested directors.

DESCRIPTION OF CAPITAL STOCK

Our authorized capital stock consists of shares of preferred stock, par value $0.001 per share, and shares of common stock, par value $0.001 per share. Upon completion of this offering, there will be shares of common stock issued and outstanding and no shares of preferred stock issued and outstanding. The following summary describes the terms of our capital stock upon completion of this offering and is qualified in its entirety by reference to our amended and restated certificate of incorporation and our bylaws filed as exhibits to this registration statement and the Delaware General Corporate Law.

Common Stock

Our common stockholders are entitled to one vote for each share held. Our common stockholders do not have cumulative voting rights. Subject to the rights of holders of any then outstanding shares of our preferred stock, our common stockholders are entitled to any dividends that may be declared by our Board of Directors. Holders of our common stock are entitled to share ratably in our net assets upon our dissolution or liquidation after payment or provision for all liabilities and any preferential liquidation rights of our preferred stock then outstanding. The shares of our common stock are not subject to any redemption provisions and are not convertible into any other shares of our capital stock. All outstanding shares of our common stock are, and the shares of common stock to be issued in the offering will be, upon payment therefor, fully paid and nonassessable. The rights, preferences and privileges of holders of our common stock will be subject to those of the holders of any shares of our preferred stock we may issue in the future.

Preferred Stock

Our Board of Directors may from time to time authorize the issuance of one or more classes or series of preferred stock without stockholder approval. Subject to the provisions of our amended and restated certificate of incorporation and limitations prescribed by law, our Board of Directors is authorized to adopt resolutions to issue shares, establish the number of shares, change the number of shares constituting any series, and provide or change the voting powers, designations, preferences and relative rights, qualifications, limitations or restrictions on shares of our preferred stock, including dividend rights, terms of redemption, conversion rights and liquidation preferences, in each case without any action or vote by our stockholders.

The availability of undesignated preferred stock could facilitate the adoption of a stockholder rights plan or other related actions, which would in turn enable our Board of Directors to discourage an attempt to obtain control of our company by means of an unsolicited tender offer, proxy contest, merger or otherwise. The issuance of preferred stock may adversely affect the rights of our common stockholders by, among other things:

- restricting dividends on the common stock;
- diluting the voting power of the common stock;
- impairing the liquidation rights of the common stock;
- delaying or preventing a change in control without further action by the stockholders; or
- decreasing the market price of common stock.

Effects of Authorized But Unissued Stock

Upon consummation of the offering there will be authorized shares of our common stock, of which will be unissued and unreserved for specific purposes, and authorized shares of preferred stock, undesignated as to series, all of which shall be unissued and available for our future issuance without stockholder approval. Of the shares of common stock available for future issuance, shares have been reserved for issuance under our 2006 Plan.

Shares of common stock and preferred stock available for future issuance may be utilized for a variety of corporate purposes, including facilitating acquisitions or future public offerings to raise additional capital. We do not currently have any plans to issue additional shares of common stock or preferred stock, other than shares of common stock issuable under our 2006 Plan.

Options

We have reserved shares of our common stock for issuance under our 2006 Plan, of which shares of common stock are issuable upon exercise of options outstanding as of the date hereof, including options to purchase shares exercisable within 60 days of the date hereof.

Anti-Takeover Considerations and Special Provisions of the Amended and Restated Certificate of Incorporation, Bylaws and Delaware Law

Amended and Restated Certificate of Incorporation and Bylaws. A number of provisions of our amended and restated certificate of incorporation and bylaws concern matters of corporate governance and the rights of our stockholders. Provisions such as those that grant our Board of Directors the ability to issue shares of preferred stock and to set the voting rights, preferences and other terms thereof may have an anti-takeover effect by discouraging takeover attempts not first approved by our Board of Directors, including takeovers which may be considered by some stockholders to be in their best interests. To the extent takeover attempts are discouraged, temporary fluctuations in the market price of our common stock, which may result from actual or rumored takeover attempts, may be moderated. Such provisions also could delay or frustrate the removal of incumbent directors or the assumption of control by stockholders, even if such removal or assumption would be beneficial to our stockholders. These provisions also could discourage or make more difficult a merger, tender offer or proxy contest and could potentially depress the market price of our common stock. Our Board of Directors believes that these provisions are appropriate to protect the company’s interests and the interests of our stockholders.

Classified Board of Directors. Our amended and restated certificate of incorporation divides our Board of Directors into three classes. The directors in each class serve in terms of three years and until their successors are duly elected and qualified. The terms of directors are staggered by class. The classification system of electing directors may tend to discourage a third party from making an unsolicited tender offer or otherwise attempting to obtain control of our company and may maintain the incumbency of our directors, as this structure generally increases the difficulty of, or may delay, replacing a majority of the directors. A majority of the directors then in office have the sole authority to elect a successor to fill any vacancies or newly created directorships.

Meetings of Stockholders. Our bylaws provide that annual meetings of our stockholders shall take place at the time and place established by our Board of Directors or may take place by remote communication, as determined by our Board of Directors. A special meeting of our stockholders may be called by the Chairman of the board or our Chief Executive Officer or President or pursuant to resolution of a majority of our whole board.

Stockholder Action by Written Consent. Except as provided in the following sentence, pursuant to the Delaware General Corporation Law, our bylaws and the requirements of the New York Stock Exchange, any action required or permitted to be taken by the stockholders must be effected at a duly called annual or special meeting of such holders, or may be effected by a consent in writing by such holders if the Board of Directors has approved in advance the taking of such action by written consent. Any action required or permitted to be taken at a special stockholders’ meeting may be taken without a meeting, without prior notice and without a vote, if the action is taken by persons who would be entitled to vote at a meeting and who hold shares having voting power equal to not less than the minimum number of votes that would be necessary to authorize or take the action at a meeting at which all shares entitled to vote were present and voted. The action must be evidenced by one or more written consents describing the action taken, signed by the stockholders entitled to take action without a meeting, and delivered to us in the manner prescribed by the Delaware General Corporation Law.

Advance Notice Provisions. Our bylaws provide that nominations for directors may not be made by stockholders at any annual or special meeting thereof unless the stockholder intending to make a nomination notifies us of its intention a specified number of days in advance of the meeting and furnishes to us certain information regarding itself and the intended nominee. Our bylaws also require a stockholder to provide to our secretary advance notice of business to be brought by such stockholder before any annual or special meeting of our stockholders, as well as certain information regarding the stockholder and any material interest the stockholder may have in the proposed business. These provisions could delay stockholder actions, even if favored by the holders of a majority of our outstanding stock, until the next stockholders' meeting.

Filling of Board Vacancies. Vacancies and newly created directorships resulting from any increase in the authorized number of directors may be filled by the affirmative vote of a majority of our directors then in office and any director so chosen shall hold office for the remainder of the full term of the class of directors to which the new directorship was added or in which the vacancy occurred. Each such director will hold office until the next election of directors of that director's class, and until such director's successor is elected and qualified, or until the director's earlier death, resignation or removal. Stockholders are not permitted to fill vacancies.

Amendment of the Bylaws. Under Delaware law, the power to adopt, amend or repeal bylaws is conferred upon the stockholders. A corporation may, however, in its certificate of incorporation also confer upon the Board of Directors the power to adopt, amend or repeal its bylaws. Our amended and restated certificate of incorporation and bylaws grant our Board of Directors the power to adopt, amend and repeal our bylaws at any regular or special meeting of the Board of Directors on the affirmative vote of a majority of the directors then in office. Our stockholders may adopt, amend or repeal our bylaws but only at any regular or special meeting of stockholders by an affirmative vote of holders of at least $66^2/_3$% of the voting power of all then outstanding shares of capital stock entitled to vote generally in the election of directors, voting together as a single class.

Delaware Anti-Takeover Law. We are subject to the provisions of Section 203 of the Delaware General Corporation Law regulating corporate takeovers. This section prevents certain Delaware corporations, under certain circumstances, from engaging in a "business combination" with:

- a stockholder who owns 15% or more of our outstanding voting stock (otherwise known as an "interested stockholder"),
- an affiliate of an interested stockholder, or
- an associate of an interested stockholder,

for three years following the date that the stockholder became an "interested stockholder." A "business combination" includes a merger or sale of more than 10% of our assets.

However, the above provisions of Section 203 do not apply if:

- our Board of Directors approves the transaction that made the stockholder an "interested stockholder," prior to the date of that transaction;
- after the completion of the transaction that resulted in the stockholder becoming an "interested stockholder," that stockholder owned at least 85% of our voting stock outstanding at the time the transaction commenced, excluding shares owned by our officers and directors; or
- on or subsequent to the date of the transaction, the business combination is approved by our Board of Directors and authorized at a meeting of our stockholders by an affirmative vote of at least two-thirds of the outstanding voting stock not owned by the "interested stockholder."

This statute could prohibit or delay mergers or other change in control attempts, and thus may discourage attempts to acquire us.

Transfer Agent and Registrar

We intend to retain as the transfer agent and registrar for our common stock.

Listing

We intend to apply to list our common stock on the New York Stock Exchange under the trading symbol "CNK."

SHARES ELIGIBLE FOR FUTURE SALE

Prior to this offering, there has been no public market for our common stock, and we cannot predict the effect, if any, that market sales of shares of our common stock or the availability of shares of our common stock for sale will have on the market price of our common stock prevailing from time to time. Nevertheless, sales of substantial amounts of our common stock in the public market could adversely affect the market price of our common stock and could impair our future ability to raise capital through the sale of our equity securities.

Upon the completion of this offering, we will have shares of our common stock assuming no exercise of outstanding options. Of the outstanding shares, all of the shares sold in this offering will be freely tradable, except that any shares held by our "affiliates," as that term is defined in Rule 144 promulgated under the Securities Act, may only be sold in compliance with the limitations described below. The remaining shares of our common stock will be deemed "restricted securities" as defined under Rule 144. Restricted securities may not be resold in a public distribution except in compliance with the registration requirements of the Securities Act or pursuant to an exemption therefrom, including the exemptions provided by Regulation S and Rule 144 promulgated under the Securities Act. In addition, assuming no exercise of outstanding options, upon completion of this offering, we will have shares of common stock issuable upon the exercise of outstanding stock options, which have a weighted average exercise price of $ per share, and we will have an aggregate of shares of common stock reserved for future issuance under our 2006 Plan. Subject to the lock-up agreements described below, the provisions of Rule 144 or Regulation S, additional shares will be available for sale in the public market as follows:

Lock-Up Agreements

We, all of our directors and executive officers, holders of more than 5% of our outstanding stock and the selling stockholders are subject to lock-up agreements prohibiting the sale or other disposition of any shares of our common stock or any securities which may be converted into or exchanged or exercised for any common stock for a period of days after the date of this prospectus, without the prior written consent of Lehman Brothers Inc., subject to certain exceptions.

Registration Rights

Certain stockholders which are parties to the registration rights agreement have rights to cause us to register under the Securities Act the sale of all or part of the shares of our capital stock owned by them. See "Certain Relationships and Related Party Transactions."

Rule 144

In general, under Rule 144, a person, or group of persons whose shares are aggregated, who has beneficially owned restricted shares for at least one year following the later of the date of the acquisition of such shares from us or one of our affiliates would be entitled to sell within any three-month period a number of shares that does not exceed the greater of:

- 1% of the number of shares of our common stock then outstanding; or
- the average weekly trading volume of our common stock during the four calendar weeks preceding the filing of a Form 144 with respect to such sale.

Sales under Rule 144 are subject to certain manner of sale provisions and notice requirements and the availability of current public information about us.

Rule 144(k)

Under Rule 144(k), a person who is not deemed to have been an one of our affiliates at any time during the 90 days preceding a sale, and who has beneficially owned the shares proposed to be sold for at least two years following the later of the date of the acquisition of such shares from us or one of our affiliates, is entitled to sell such shares without complying with the manner of sale, public information, volume limitation or notice provisions of Rule 144.

Regulation S

In general, under Regulation S of the Securities Act, a person who is not one of our affiliates or a distributor would be entitled to sell securities in an offshore transaction provided that no directed selling efforts are made in the U.S. by such seller, an affiliate or any person acting on their behalf. Securities acquired overseas, whether or not pursuant to Regulation S, may be resold in the U.S. only if the securities are registered under the Securities Act or an exemption from registration is available.

Stock Options

Following the expiration of the day lock-up period described above, we intend to file a registration statement on Form S-8 under the Securities Act to register all shares of our common stock subject to outstanding stock options and all shares of our common stock reserved for future issuance under our 2006 Plan. Shares of common stock registered under any registration statement will, subject to Rule 144 volume limitations applicable to affiliates, be available for sale in the open market.

MATERIAL U.S. FEDERAL INCOME TAX CONSIDERATIONS TO NON-U.S. HOLDERS

General

The following summary discusses the material U.S. federal income and estate tax consequences of the ownership of our common stock by a Non-U.S. Holder (as defined below) as of the date hereof. This discussion assumes that a Non-U.S. Holder holds shares of our common stock as a capital asset (generally property held for investment). This discussion does not address all aspects of U.S. federal income and estate taxes and does not deal with foreign, state and local consequences that may be relevant to Non-U.S. Holders in light of their personal circumstances. Special rules that may apply to certain Non-U.S. Holders, such as "controlled foreign corporations," "passive foreign investment companies," "foreign personal holding companies," individuals who are U.S. expatriates, partnerships or other pass-through entities, and corporations that accumulate earnings to avoid U.S. federal income tax, that are subject to special treatment under the Code, are not described herein. Those individuals or entities should consult their own tax advisors to determine the U.S. federal, state, local and other tax consequences that may be relevant to them. Furthermore, the discussion below is based upon the provisions of the Code and regulations, rulings and judicial decisions thereunder as of the date hereof, and such authorities may be repealed, revoked or modified, possibly with retroactive effect, so as to result in U.S. federal income tax consequences different from those discussed below. **Persons considering the purchase, ownership or disposition of our common stock should consult their own tax advisors concerning the U.S. federal income tax consequences in light of their particular situations as well as any consequences arising under the laws of any other taxing jurisdiction.**

If a partnership holds our common stock, the tax treatment of a partner will generally depend on the status of the partner and the activities of the partnership. Persons who are partners of partnerships holding our common stock should consult their tax advisors.

As used herein, a Non-U.S. Holder of our common stock means a beneficial owner that is an individual or entity other than (1) a citizen or resident of the United States, (2) a corporation or business entity treated as a corporation created or organized in or under the laws of the United States or any state, (3) an estate the income of which is subject to U.S. federal income taxation regardless of its source or (4) a trust (A) that is subject to the primary supervision of a court within the United States and one or more U.S. persons has the authority to control all substantial decisions of the trust, or (B) that has a valid election in effect under applicable U.S. Treasury regulations to be treated as a U.S. person.

Dividends

Dividends paid to a Non-U.S. Holder of our common stock generally will be subject to withholding of U.S. federal income tax at a 30% rate or such lower rate as may be specified by an applicable income tax treaty. However, dividends that are effectively connected with the conduct of a trade or business by the Non-U.S. Holder within the United States and, where a tax treaty applies, are attributable to a U.S. permanent establishment of the Non-U.S. Holder, are not subject to the withholding tax, but instead are subject to U.S. federal income tax on a net income basis at applicable graduated individual or corporate rates. Certain Internal Revenue Service, or the IRS, certification and disclosure requirements must be complied with in order for effectively connected income to be exempt from withholding. Any such effectively connected dividends received by a foreign corporation may, under certain circumstances, be subject to an additional branch profits tax at a 30% rate or a lower rate as may be specified by an applicable income tax treaty.

A Non-U.S. Holder of our common stock who wishes to claim an exemption from, or reduction in, withholding under the benefit of an applicable treaty rate (and avoid backup withholding as discussed below) for dividends, will be required to (a) complete IRS Form W-8BEN (or successor form) and satisfy certain relevant certification requirements of applicable Treasury regulations. Special certification and other requirements apply to certain Non-U.S. Holders that are entities rather than individuals.

A Non-U.S. Holder of our common stock eligible for a reduced rate of U.S. withholding tax under an income tax treaty may obtain a refund of any excess amounts withheld by filing an appropriate claim for refund with the IRS on a timely basis.

Gain on Disposition of Common Stock

A Non-U.S. Holder generally will not be subject to U.S. federal income tax with respect to gain recognized on a sale or other disposition of our common stock unless (1) the gain is effectively connected with a trade or business of the Non-U.S. Holder in the United States, and, where a tax treaty applies, is attributable to a U.S. permanent establishment of the Non-U.S. Holder, (2) in the case of a Non-U.S. Holder who is an individual and holds the common stock as a capital asset, such holder is present in the United States for 183 or more days in the taxable year of the sale or other disposition and certain other conditions are met, or (3) the company is or has been a U.S. real property holding corporation for U.S. federal income tax purposes at any time during the shorter of the five-year period ending on the date of disposition and the Non-U.S. Holder's holding period for the common stock.

An individual Non-U.S. Holder described in clause (1) above will be subject to tax on the net gain derived from the sale under regular graduated U.S. federal income tax rates. An individual Non-U.S. Holder described in clause (2) above will be subject to a flat 30% tax on the gain derived from the sale, which may be offset by U.S. source capital losses (even though the individual is not considered a resident of the United States). If a Non-U.S. Holder that is a foreign corporation falls under clause (1) above, it will be subject to tax on its gain under regular graduated U.S. federal income tax rates and, in addition, may be subject to the branch profits tax equal to 30% of its effectively connected earnings and profits or at such lower rate as may be specified by an applicable income tax treaty.

The determination of whether a corporation is a "U.S. real property holding corporation" for U.S. federal income tax purposes involves a complex factual analysis, including a valuation of the corporation's assets. We have not determined at this time whether we are a U.S. real property holding corporation, although there is a possibility that we are or will become a U.S. real property holding corporation. If we are or become a U.S. real property holding corporation, then assuming our common stock is regularly traded on an established securities market, only a Non-U.S. Holder who holds or held (at any time during the shorter of the five-year period ending on the date of disposition and the Non-U.S. Holder's holding period for the common stock) more than 5% of our common stock will be subject to the U.S. federal income tax on the disposition of the common stock under these rules.

U.S. Estate Tax

Common stock held by an individual Non-U.S. Holder at the time of death will be included in such holder's gross estate for U.S. federal estate tax purposes, unless an applicable estate tax treaty provides otherwise.

Information Reporting and Backup Withholding

Our company must report annually to the IRS and to each Non-U.S. Holder the amount of dividends paid to that holder and the tax withheld with respect to those dividends, regardless of whether withholding was required. Copies of the information returns reporting those dividends and withholding may also be made available to the tax authorities in the country in which the Non-U.S. Holder resides under the provision of an applicable income tax treaty.

A Non-U.S. Holder will be subject to backup withholding unless applicable certification requirements are met.

Proceeds of a sale of our common stock paid within the United States or through certain U.S. related financial intermediaries are subject to both backup withholding and information reporting unless the beneficial owner certifies under penalties of perjury that it is a Non-U.S. Holder (and the payor does not have actual knowledge that the beneficial owner is a U.S. person), or the holder establishes another exemption.

Any amounts withheld under the backup withholding rules may be allowed as a refund or a credit against such holder's U.S. federal income tax liability if the required information is furnished to the IRS.

UNDERWRITING

Under the terms of an underwriting agreement, which will be filed as an exhibit to the registration statement, Lehman Brothers Inc. has agreed to purchase from us and the selling stockholders shares of our common stock.

The underwriting agreement provides that the underwriter's obligation to purchase shares of our common stock depends on the satisfaction of the conditions contained in the underwriting agreement including:

- the obligation to purchase all of the shares of our common stock offered hereby (other than those shares of our common stock covered by their option to purchase additional shares as described below), if any of the shares are purchased;
- the representations and warranties made by us and the selling stockholders to the underwriters are true;
- there is no material change in our business or the financial markets; and
- we deliver customary closing documents to the underwriter.

Commissions and Expenses

The following table summarizes the underwriting discounts and commissions we and the selling stockholders will pay to the underwriter. These amounts are shown assuming both no exercise and full exercise of the underwriter's option to purchase additional shares of our common stock. The underwriting fee is the difference between the initial price to the public and the amount the underwriter pays to us and the selling stockholders for the shares.

	Per Share		Total	
	No Exercise	Full Exercise	No Exercise	Full Exercise
Paid by us				
Paid by selling stockholders				

The underwriter has advised us that it proposes to offer the shares of our common stock directly to the public at the public offering price on the cover of this prospectus and to selected dealers, which may include the underwriter, at such offering price less a selling concession not in excess of $ per share. After the offering, the underwriter may change the offering price and other selling terms.

The expenses of the offering that are payable by us are estimated to be $ (excluding underwriting discounts and commissions). The selling stockholders will not pay any of the registration expenses.

Option to Purchase Additional Shares

The selling stockholders have granted the underwriter an option exercisable for 30 days after the date of this prospectus, to purchase, from time to time, in whole or in part, up to an aggregate of shares of our common stock at the public offering price less underwriting discounts and commissions. This option may be exercised if the underwriter sells more than shares of our common stock in connection with this offering.

Lock-Up Agreements

We, all of our directors and executive officers, holders of more than 5% of our outstanding stock and the selling stockholders have agreed that, without the prior written consent of Lehman Brothers Inc., we and they will not directly or indirectly, (1) offer for sale, sell, pledge, or otherwise dispose of (or enter into any transaction or device that is designed to, or could be expected to, result in the disposition by any person at any time in the future of) any shares of our common stock (including, without limitation, shares of common stock that may be deemed to be beneficially owned by us or them in accordance with the rules and regulations of the SEC and shares of common stock that may be issued upon exercise of any options or warrants) or securities convertible into or exercisable or exchangeable for common stock, (2) enter into any swap or other derivatives transaction that transfers to another, in whole or in part, any of the economic consequences of ownership of our common stock, (3) make any demand for or exercise any right or file or cause to be filed a registration statement, including any amendments thereto, with respect to the registration of any shares of our common stock or securities convertible, exercisable or exchangeable into common stock or any of our other securities, or (4) publicly disclose the intention to do any of the foregoing for a period of days after the date of this prospectus.

The -day restricted period described in the preceding paragraph will be extended if:

- during the last 17 days of the -day restricted period we issue an earnings release or material news or a material event relating to us occurs; or
- prior to the expiration of the -day restricted period, we announce that we will release earnings results during the 16-day period beginning on the last day of the -day period,

in which case the restrictions described in the preceding paragraph will continue to apply until the expiration of the 18-day period beginning on the issuance of the earnings release or the announcement of the material news or occurrence of a material event, unless such extension is waived in writing by Lehman Brothers Inc.

Lehman Brothers Inc., in its sole discretion, may release our common stock and other securities subject to the lock-up agreements described above in whole or in part at any time with or without notice. When determining whether or not to release our common stock and other securities from lock-up agreements, Lehman Brothers Inc. will consider, among other factors, the holder's reasons for requesting the release, the number of shares of our common stock and other securities for which the release is being requested and market conditions at the time.

As described below under "Directed Share Program," any participants in the directed share program will be subject to a -day lock up with respect to any shares sold to them pursuant to that program. This lock up will include an identical extension provision with respect to an earnings release, material news or event as the lock-up agreement described above. Any shares sold in the directed share program to our directors or officers will be subject to the lock-up agreement described above.

Offering Price Determination

Prior to this offering, there has been no public market for our common stock. The initial public offering price will be negotiated between the underwriter and us. In determining the initial public offering price of our common stock, the underwriter will consider:

- the history and prospects for the industry in which we compete;
- our financial information;
- the ability of our management and our business potential and earning prospects;
- the prevailing securities markets at the time of this offering; and
- the recent market prices of, and the demand for, publicly traded shares of generally comparable companies.

Indemnification

We and the selling stockholders have agreed to indemnify the underwriter against certain liabilities, including liabilities under the Securities Act and liabilities incurred in connection with the directed share program referred to below, and to contribute to payments that the underwriter may be required to make for these liabilities.

Directed Share Program

At our request, Lehman Brothers Inc. has reserved for sale at the initial public offering price up to shares of our common stock offered hereby for officers, directors, employees and certain other persons associated with us. The number of shares of our common stock available for sale to the general public will be reduced to the extent such persons purchase such reserved shares. Any reserved shares not so purchased will be offered by the underwriter to the general public on the same basis as the other shares of our common stock offered hereby. Any participants in this program will be prohibited from selling, pledging or assigning any shares sold to them pursuant to this program for a period of days after the date of this prospectus. This -day lock up period will be extended with respect to our issuance of an earnings release, or if a material news or a material event relating to us occurs, in the same manner as described above under "Lock-Up Agreements."

Stabilization, Short Positions and Penalty Bids

The underwriter may engage in stabilizing transactions, short sales and purchases to cover positions created by short sales, and penalty bids or purchases for the purpose of pegging, fixing or maintaining the price of the common stock, in accordance with Regulation M under the Securities Exchange Act:

- Stabilizing transactions permit bids to purchase the underlying security so long as the stabilizing bids do not exceed a specified maximum.
- A short position involves a sale by the underwriter of shares of our common stock in excess of the number of shares the underwriters are obligated to purchase in the offering, which creates the syndicate short position. This short position may be either a covered short position or a naked short position. In a covered short position, the number of shares of our common stock involved in the sales made by the underwriter in excess of the number of shares they are obligated to purchase is not greater than the number of shares that they may purchase by exercising their option to purchase additional shares. In a naked short position, the number of shares of our common stock involved is greater than the number of shares in their option to purchase additional shares. The underwriter may close out any short position by either exercising their option to purchase additional shares and/or purchasing shares of our common stock in the open market. In determining the source of shares to close out the short position, the underwriter will consider, among other things, the price of shares of our common stock available for purchase in the open market as compared to the price at which they may purchase shares through their option to purchase additional shares. A naked short position is more likely to be created if the underwriter is concerned that there could be downward pressure on the price of the shares of our common stock in the open market after pricing that could adversely affect investors who purchase in the offering.

These stabilizing transactions may have the effect of raising or maintaining the market price of our common stock or preventing or retarding a decline in the market price of our common stock. As a result, the price of our common stock may be higher than the price that might otherwise exist in the open market. These transactions may be effected on the New York Stock Exchange or otherwise and, if commenced, may be discontinued at any time.

Neither we nor the underwriter make any representation or prediction as to the direction or magnitude of any effect that the transactions described above may have on the price of our common stock. In addition, neither we nor the underwriter make representation that the underwriter will engage in these stabilizing transactions or that any transaction, once commenced, will not be discontinued without notice.

Electronic Distribution

A prospectus in electronic format may be made available on the Internet sites or through other online services maintained by the underwriter and/or selling group members participating in this offering, or by their affiliates. In those cases, prospective investors may view offering terms online and, depending upon the particular selling group member, prospective investors may be allowed to place orders online. The underwriter may agree with us to allocate a specific number of shares of our common stock for sale to online brokerage account holders. Any such allocation for online distributions will be made by the underwriter on the same basis as other allocations.

Other than the prospectus in electronic format, the information on the underwriter's or any selling group member's website and any information contained in any other website maintained by the underwriter or a selling group member is not part of the prospectus or the registration statement of which this prospectus forms a part, has not been approved and/or endorsed by us or the underwriter or any selling group member in its capacity as underwriter or selling group member and should not be relied upon by investors.

New York Stock Exchange

We intend to apply to list our shares of common stock for quotation on the New York Stock Exchange under the symbol "CNK." The underwriter will undertake to sell the shares of our common stock in this offering to a minimum of 2,000 beneficial owners in round lots of 100 or more units to meet the New York Stock Exchange distribution requirements for trading.

Discretionary Sales

The underwriter has informed us that it does not intend to confirm sales to discretionary accounts that exceed 5% of the total number of shares offered by them.

Stamp Taxes

If you purchase shares of common stock offered in this prospectus, you may be required to pay stamp taxes and other charges under the laws and practices of the country of purchase, in addition to the offering price listed on the cover page of this prospectus.

European Economic Area

In relating to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "Relevant Member State") the underwriter represents and warrants that it has not made and will not make an offer to the public of any shares which are subject to the offering contemplated by this prospectus in that Relevant Member State prior to the publication of a prospectus in relation to such shares which has been approved by the competent authority in that Relevant Member State and notified to the competent authority in that Relevant Member State, all in accordance with the Prospectus Directive, except that it may make an offer to the public in that Relevant Member State of any such shares at any time under the following exemptions under the Prospectus Directive, if they have been implemented in that Relevant Member State:

(a) to legal entities which are authorized or regulated to operate in the financial markets or, if not so authorized or regulated, whose corporate purpose is solely to invest in securities;

(b) to any legal entity which has two or more of (1) an average of at least 250 employees during the last financial year; (2) a total balance sheet of more than €43,000,000; and (3) an annual net turnover of more than €50,000,000, as shown in its last annual or consolidated accounts;

(c) to fewer than 100 natural or legal persons (other than qualified investors as defined in the Prospectus Directive); or

(d) in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of such shares shall result in a requirement for the publication by us or any underwriter of a prospectus pursuant to Article 3 of the Prospectus Directive.

For the purposes of this provision, the expression an "offer to the public" in relation to any such shares in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and any shares to be offered so as to enable an investor to decide to purchase any such shares, as the same may be varied in that Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State and the expression "Prospectus Directive" means Directive 2003/71/EC and includes any relevant implementing measure in each Relevant Member State.

United Kingdom

This is only being distributed to and is only directed at (i) persons who are outside the United Kingdom or (ii) to investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the “Order”) or (iii) high net worth entities, and other persons to whom it may lawfully be communicated, falling with Article 49(2)(a) to (e) of the Order (all such persons together being referred to as “relevant persons”). The shares of our common stock are only available to, and any invitation, offer or agreement to subscribe, purchase or otherwise acquire such common stock will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this or any of its contents.

The underwriter has represented and agreed that:

(a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000 or FSMA) received by it in connection with the issue or sale of shares of our common stock in circumstances in which Section 21(1) of the FSMA does not apply to us, and

(b) it has complied with, and will comply with all applicable provisions of the FSMA with respect to anything done by it in relating to shares of our common stock in, from or otherwise involving the United Kingdom.

Relationships

The underwriter may in the future perform investment banking and advisory services for us from time to time for which they may in the future receive customary fees and expenses. Lehman Brothers Inc. acted as initial purchaser in connection with the offerings of our 9$^{3}/_{4}$% senior discount notes and our 9% senior subordinated notes. An affiliate of Lehman Brothers Inc. was the arranger and is a lender and the administrative agent under our new senior secured credit facility. We intend to use part of the net proceeds that we will receive from this offering to repay outstanding debt under our new senior secured credit facility or to redeem all or a part of our 9% senior subordinated notes or 9$^{3}/_{4}$% senior discount notes.

LEGAL MATTERS

The validity of the shares of common stock offered by this prospectus will be passed upon for our company and the selling stockholders by Akin Gump Strauss Hauer & Feld LLP, Dallas, Texas. The underwriter is represented by Simpson Thacher & Bartlett LLP, New York, New York.

EXPERTS

The consolidated financial statements of Cinemark Holdings, Inc. as of December 31, 2004 and 2005, and for the year ended December 31, 2003 (Predecessor), the period from January 1, 2004 to April 1, 2004 (Predecessor), the period from April 2, 2004 to December 31, 2004 (Successor) and the year ended December 31, 2005 (Successor), included in this prospectus, have been audited by Deloitte & Touche LLP, an independent registered public accounting firm, as stated in their report appearing herein, and have been so included in reliance upon the report of such firm given upon their authority as experts in accounting and auditing.

The consolidated financial statements of Century Theatres, Inc. and subsidiaries as of September 28, 2006 and September 29, 2005 (restated), and for the years ended September 28, 2006 (restated), September 29, 2005 (restated) and September 30, 2004, included in this prospectus, have been audited by Grant Thornton LLP, an independent registered public accounting firm, as stated in their report appearing herein, and have been so included in reliance upon the report of such firm given upon their authority as experts in accounting and auditing.

WHERE YOU CAN FIND MORE INFORMATION

We have filed with the SEC a registration statement on Form S-1 under the Securities Act for the shares of common stock offered by this prospectus. This prospectus does not contain all of the information set forth in the registration statement or the accompanying exhibits and schedules. For further information about us and our common stock, we refer you to the registration statement and the accompanying exhibits and schedules. Statements contained in this prospectus regarding the contents of any contract or any other document to which we refer are not necessarily complete. In each instance, reference is made to the copy of the contract or document filed as an exhibit to the registration statement, and each statement is qualified in all respects by that reference. Copies of the registration statement and the accompanying exhibits and schedules may be inspected without charge at the public reference facilities maintained by the SEC at 100 F Street, N.E., Washington, D.C. 20549. Copies of these materials may be obtained at the SEC's prescribed rates. You may obtain information on the operation of the public reference room by calling the SEC at 1-800-SEC-0330. The SEC maintains a website that contains reports, proxy and information statements and other information regarding registrants that file electronically with the SEC. The address of the site is *www.sec.gov.*

After this offering, we will become subject to the information and reporting requirements of the Securities Exchange Act. As a result, we will file periodic reports, proxy statements and other information with the Securities and Exchange Commission. After completion of this offering we intend to provide access to these reports on our website, *www.cinemark.com.* You may request paper copies of the filings, at no cost, by telephone at (972) 665-1000 or by mail at: Cinemark Holdings, Inc., 3900 Dallas Parkway, Suite 500, Plano, Texas 75093.

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors
Cinemark Holdings, Inc.
Plano, TX

We have audited the accompanying consolidated balance sheets of Cinemark Holdings, Inc. and subsidiaries (the "Company") as of December 31, 2005 and 2004, and the related consolidated statements of operations, stockholders' equity, and cash flows for the year ended December 31, 2005 (Successor), period from April 2 through December 31, 2004 (Successor), period from January 1 through April 1, 2004 (Predecessor) and the year ended December 31, 2003 (Predecessor). These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such consolidated financial statements present fairly, in all material respects, the financial position of Cinemark Holdings, Inc. as of December 31, 2005 and 2004, and the results of its operations and its cash flows for the year ended December 31, 2005 (Successor), period from April 2 through December 31, 2004 (Successor), period from January 1 through April 1, 2004 (Predecessor) and the year ended December 31, 2003 (Predecessor), in conformity with accounting principles generally accepted in the United States of America.

/s/ Deloitte & Touche LLP

Dallas, Texas
January 31, 2007

CINEMARK HOLDINGS, INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

	December 31, 2004	December 31, 2005
	(In thousands, except share data)	
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$ 100,248	$ 182,199
Inventories	4,237	4,546
Accounts receivable	11,303	15,405
Income tax receivable	7,037	—
Prepaid expenses and other	3,889	4,538
Total current assets	126,714	206,688
THEATRE PROPERTIES AND EQUIPMENT	1,015,569	1,106,900
Less accumulated depreciation and amortization	220,846	303,631
Theatre properties and equipment, net	794,723	803,269
OTHER ASSETS		
Goodwill	610,956	551,537
Intangible assets — net	253,142	246,181
Investments in and advances to affiliates	3,818	11,193
Deferred charges and other assets — net	42,502	45,984
Total other assets	910,418	854,895
TOTAL ASSETS	$ 1,831,855	$ 1,864,852
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Current portion of long-term debt	$ 6,539	$ 6,871
Accounts payable	34,257	47,234
Income tax payable	—	13,144
Accrued film rentals	21,395	21,441
Accrued interest	14,569	15,333
Accrued payroll	14,335	11,226
Accrued property taxes	14,326	16,345
Accrued other current liabilities	23,462	28,473
Total current liabilities	128,883	160,067
LONG-TERM LIABILITIES		
Long-term debt, less current portion	1,019,516	1,048,224
Deferred income taxes	114,484	102,152
Deferred lease expenses	6,432	9,569
Deferred gain on sale leasebacks	618	556
Deferred revenues and other long-term liabilities	12,025	8,513
Total long-term liabilities	1,153,075	1,169,014
COMMITMENTS AND CONTINGENCIES (see Note 18)	—	—
MINORITY INTERESTS IN SUBSIDIARIES	16,697	16,422
STOCKHOLDERS' EQUITY		
Common stock, $0.001 par value: 40,000,000 shares authorized; 27,674,916 and 27,896,316 shares issued and outstanding at December 31, 2004 and 2005, respectively	28	28
Additional paid-in-capital	527,681	532,599
Retained earnings (deficit)	16,875	(8,533)
Accumulated other comprehensive loss	(11,384)	(4,745)
Total stockholders' equity	533,200	519,349
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 1,831,855	$ 1,864,852

The accompanying notes are an integral part of the consolidated financial statements.

CINEMARK HOLDINGS, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OPERATIONS

	Year Ended December 31, 2003 (Predecessor)	January 1, 2004 to April 1, 2004 (Predecessor)	April 2, 2004 to December 31, 2004 (Successor)	Year Ended December 31, 2005 (Successor)
	(In thousands, except per share data)			
REVENUES				
Admissions	$ 597,548	$ 149,134	$ 497,865	$ 641,240
Concession	300,568	72,480	249,141	320,072
Other	52,756	12,011	43,611	59,285
Total revenues	950,872	233,625	790,617	1,020,597
COSTS AND EXPENSES				
Cost of operations (excludes depreciation and amortization):				
Film rentals and advertising	324,902	78,678	270,138	347,727
Concession supplies	49,640	11,989	41,772	52,507
Salaries and wages	97,240	23,989	79,095	101,431
Facility lease expense	119,517	30,915	97,829	138,477
Utilities and other	110,792	26,282	86,684	123,831
Total cost of operations	702,091	171,853	575,518	763,973
General and administrative expenses	44,286	11,869	39,803	50,884
Stock option compensation and change of control expenses related to the MDP Merger	—	31,995	—	—
Depreciation and amortization	65,085	16,865	58,266	81,952
Amortization of net favorable leases	—	—	3,087	4,174
Impairment of long-lived assets	5,049	1,000	36,721	51,677
(Gain) loss on sale of assets and other	(1,202)	(513)	3,602	4,436
Total costs and expenses	815,309	233,069	716,997	957,096
OPERATING INCOME	135,563	556	73,620	63,501
OTHER INCOME (EXPENSE)				
Interest expense	(51,853)	(11,972)	(56,231)	(81,342)
Amortization of debt issue costs	(2,310)	(590)	(1,918)	(2,740)
Interest income	2,035	494	1,476	6,600
Foreign currency exchange gain (loss)	(196)	170	(436)	(1,276)
Loss on early retirement of debt	(7,540)	—	(3,309)	(46)
Equity in income of affiliates	141	37	136	227
Minority interests in income of subsidiaries	(3,410)	(1,466)	(2,887)	(924)
Total other expenses	(63,133)	(13,327)	(63,169)	(79,501)
INCOME (LOSS) FROM CONTINUING OPERATIONS BEFORE INCOME TAXES	72,430	(12,771)	10,451	(16,000)
Income taxes	25,041	(3,703)	18,293	9,408
INCOME (LOSS) FROM CONTINUING OPERATIONS AFTER INCOME TAXES	47,389	(9,068)	(7,842)	(25,408)
Income (loss) from discontinued operations, net of taxes (See Note 6)	(2,740)	(1,565)	4,155	—
NET INCOME (LOSS)	$ 44,649	$ (10,633)	$ (3,687)	$ (25,408)
EARNINGS PER SHARE				
Basic:				
Income (loss) from continuing operations after income taxes	$ 1.17	(0.22)	$ (0.28)	$ (0.91)
Income (loss) from discontinued operations	(0.07)	(0.04)	0.15	—
Net income (loss)	$ 1.10	$ (0.26)	$ (0.13)	$ (0.91)
Diluted:				
Income (loss) from continuing operations after income taxes	$ 1.16	$ (0.22)	$ (0.28)	$ (0.91)
Income (loss) from discontinued operations	(0.07)	(0.04)	0.15	—
Net income (loss)	$ 1.09	$ (0.26)	$ (0.13)	$ (0.91)

The accompanying notes are an integral part of the consolidated financial statements.

CINEMARK HOLDINGS, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY AND COMPREHENSIVE INCOME (LOSS)
YEAR ENDED DECEMBER 31, 2003, PERIOD FROM JANUARY 1, 2004 TO APRIL 1, 2004, PERIOD FROM APRIL 2, 2004 TO DECEMBER 31, 2004 AND YEAR ENDED DECEMBER 31, 2005

	Class A Common Stock		Class B Common Stock							
	Shares Issued	Amount	Shares Issued	Amount	Additional Paid-in Capital	Unearned Compensation Stock Options	Retained Earnings (Deficit)	Accumulated Other Comprehensive Loss	Total	Comprehensive Income (Loss)
						(In thousands)				
Predecessor balance at December 31, 2002	19,563	$ 20	20,949	$ 21	$ 40,350	$ (3,105)	$ 80,172	$ (89,794)	$ 27,664	
Net income							44,649		44,649	$ 44,649
Unearned compensation from stock options forfeited					(285)	285			—	
Amortization of unearned compensation						1,080			1,080	
Stock options exercised, including tax benefit of $204	101	—			304				304	
Foreign currency translation adjustment								3,249	3,249	3,249
Predecessor balance at December 31, 2003	19,664	$ 20	20,949	$ 21	$ 40,369	$ (1,740)	$ 124,821	$ (86,545)	$ 76,946	$ 47,898
Net loss							(10,633)		(10,633)	(10,633)
Amortization of unearned compensation						145			145	
Foreign currency translation adjustment								6	6	6
Write-off of unearned compensation						1,595			1,595	
Predecessor balance at April 1, 2004	19,664	$ 20	20,949	$ 21	$ 40,369	$ —	$ 114,188	$ (86,539)	$ 68,059	$ (10,627)
MDP Merger									—	
Management rollover	4,727	$ 5	—	$ —	$ 9,459	$ —	$ 20,562	$ (14,712)	$ 15,314	
Issuance of stock to MDP	22,948	23	—	—	518,222	—	—	—	518,245	
Net loss							(3,687)		(3,687)	(3,687)
Foreign currency translation adjustment								3,328	3,328	3,328
Successor balance at December 31, 2004	27,675	$ 28	—	$ —	$ 527,681	$ —	$ 16,875	$ (11,384)	$ 533,200	$ (359)
Net loss							(25,408)		(25,408)	(25,408)
Issuance of stock	221	—			5,000				5,000	
Tax adjustment related to MDP Merger fees					(82)				(82)	
Foreign currency translation adjustment								6,639	6,639	6,639
Successor balance at December 31, 2005	27,896	$ 28	—	$ —	$ 532,599	$ —	$ (8,533)	$ (4,745)	$ 519,349	$ (18,769)

The accompanying notes are an integral part of the consolidated financial statements.

CINEMARK HOLDINGS, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Year Ended December 31, 2003 (Predecessor)	January 1, 2004 to April 1, 2004 (Predecessor)	April 2, 2004 to December 31, 2004 (Successor)	Year Ended December 31, 2005 (Successor)
	(In thousands)			
OPERATING ACTIVITIES				
Net income (loss)	$ 44,649	$ (10,633)	$ (3,687)	$ (25,408)
Adjustments to reconcile net income (loss) to cash provided by operating activities:				
Depreciation	64,429	16,705	52,035	71,870
Amortization of intangible and other assets	656	160	9,318	14,256
Amortization of foreign advanced rents	1,806	497	1,216	1,258
Amortized compensation — stock options	1,080	145	—	—
Amortization of debt issue costs	2,310	590	1,918	2,740
Amortization of gain on sale leasebacks	(366)	(91)	(48)	(63)
Amortization of debt discount and premium	(972)	(366)	(2,437)	(3,105)
Amortization of deferred revenues	(2,623)	(55)	(698)	(597)
Impairment of long-lived assets	5,049	1,000	36,721	51,677
(Gain) loss on sale of assets and other	(1,202)	(513)	3,602	4,436
Write-off unamortized debt issue costs and debt discount and premium related to the early retirement of debt	3,601	—	(1,727)	46
Write-off unearned compensation related to the MDP Merger	—	—	1,595	—
Accretion of interest on senior discount notes	—	96	26,635	38,549
Deferred lease expenses	2,741	63	2,120	3,137
Deferred income tax expenses	1,863	(9,531)	16,924	(12,332)
Equity in income of affiliates	(141)	(37)	(136)	(227)
Minority interests in income of subsidiaries	3,410	1,466	2,887	924
Tax expense related to common stock issued for options exercised	204	1,869	(1,869)	—
Other	3,374	—	(922)	202
Changes in assets and liabilities:				
Inventories	(635)	219	(133)	(309)
Accounts receivable	(2,998)	1,769	1,931	(4,102)
Prepaid expenses and other	(1,382)	(780)	2,367	(649)
Other assets	(5,909)	(3,255)	(4,193)	(12,373)
Advances with affiliates	405	(454)	508	(121)
Accounts payable and accrued liabilities	6,906	11,254	(19,254)	14,082
Other long-term liabilities	3,234	100	549	1,198
Income tax receivable/payable	6,033	(118)	(12,236)	20,181
Net cash provided by operating activities	135,522	10,100	112,986	165,270
INVESTING ACTIVITIES				
Additions to theatre properties and equipment	(51,002)	(17,850)	(63,158)	(75,605)
Proceeds from sale of theatre properties and equipment	3,084	262	12,683	1,317
Purchase of shares in National CineMedia	—	—	—	(7,329)
Proceeds from sale of equity investment	—	1,250	—	—
Purchase of minority partner shares in Cinemark Brasil	—	—	(44,958)	—
Purchase of minority partner shares in Cinemark Mexico	—	—	(5,379)	—
Other	767	128	75	—
Net cash used for investing activities	(47,151)	(16,210)	(100,737)	(81,617)
FINANCING ACTIVITIES				
Issuance of common stock	101	—	—	5,000
Issuance of senior discount notes	—	360,000	—	—
Proceeds from MDP as a result of the merger	—	—	518,245	—
Net payments to stockholders, option holders and other payments related to the MDP merger	—	—	(835,704)	
Retirement of senior discount notes	—	—	—	(1,302)
Issuance of senior subordinated notes	375,225	—	—	—
Retirement of senior subordinated notes	(275,000)	—	(122,750)	—
Proceeds from long-term debt	403,516	692	290,754	660
Repayments of long-term debt	(537,765)	(2,267)	(197,803)	(6,671)
Debt issue costs	(15,622)	(10,491)	(13,863)	(239)
Increase in minority investment in subsidiaries	4,573	171	798	155
Decrease in minority investment in subsidiaries	(766)	(1,122)	(1,103)	(1,353)
Net cash provided by (used for) financing activities	(45,738)	346,983	(361,426)	(3,750)
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	970	(45)	1,275	2,048
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	43,603	340,828	(347,902)	81,951
CASH AND CASH EQUIVALENTS:				
Beginning of period	63,719	107,322	448,150	100,248
End of period	$ 107,322	$ 448,150	$ 100,248	$ 182,199
SUPPLEMENTAL INFORMATION (see Note 16)				

The accompanying notes are an integral part of the consolidated financial statements.

CINEMARK HOLDINGS, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(In thousands, except share and per share data)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Business — Cinemark Holdings, Inc. and subsidiaries (the "Company") are leaders in the motion picture exhibition industry in terms of both revenues and the number of screens in operation, with theatres in the United States ("U.S."), Canada, Mexico, Argentina, Brazil, Chile, Ecuador, Peru, Honduras, El Salvador, Nicaragua, Costa Rica, Panama and Colombia. The Company also managed additional theatres in the U.S., Canada, Brazil, Colombia and Taiwan during the year ended December 31, 2005.

Basis of Presentation — On August 2, 2006, Cinemark Holdings, Inc. was formed as the Delaware holding company of Cinemark, Inc., which is the holding company of Cinemark USA, Inc. Pursuant to a share exchange agreement (the "Cinemark Share Exchange"), each outstanding share and option to purchase shares of Cinemark, Inc.'s common stock was exchanged for an equivalent number of shares and options to purchase shares of Cinemark Holdings, Inc.'s common stock. The Cinemark Share Exchange was completed on October 5, 2006 and facilitated the acquisition of Century Theatres, Inc. on that date. Prior to October 5, 2006, Cinemark Holdings, Inc. had no assets, liabilities or operations.

On April 2, 2004, an affiliate of Madison Dearborn Partners, LLC, or MDP, acquired approximately 83% of the capital stock of Cinemark, Inc., pursuant to which a newly formed subsidiary of an affiliate of MDP was merged with and into Cinemark, Inc., with Cinemark, Inc. continuing as the surviving corporation (the ''MDP Merger"). Simultaneously, an affiliate of MDP purchased shares of Cinemark, Inc.'s common stock for $518,245 in cash and became Cinemark, Inc.'s controlling stockholder, owning approximately 83% of Cinemark, Inc.'s capital stock. Lee Roy Mitchell, the Company's then Chief Executive Officer, and the Mitchell Special Trust collectively retained approximately 16% ownership of the Cinemark, Inc.'s capital stock with certain members of management owning the remaining 1%. (See Note 3). In December 2004, MDP sold approximately 10% of its stock in the Company to outside investors and in July 2005, the Company issued an additional 221,400 shares to another outside investor. As of December 31, 2005, MDP owned approximately 74% of the Company's capital stock, outside investors owned approximately 9%, Lee Roy Mitchell and the Mitchell Special Trust collectively owned approximately 16% and certain members of management owned the remaining 1%.

The accompanying consolidated financial statements have been prepared in contemplation of the Company's initial public offering on Form S-1 and are reflective of the change in reporting entity that occurred as a result of the Cinemark Share Exchange. Cinemark Holdings, Inc.'s consolidated financial statements reflect the historical accounting basis of its stockholders for all periods presented. The accompanying consolidated statements of operations, cash flows and stockholders' equity present the results of our operations and cash flows for the periods preceding the MDP Merger as Predecessor and the periods subsequent to the MDP Merger as Successor.

Principles of Consolidation — The consolidated financial statements include the accounts of Cinemark Holdings, Inc. and subsidiaries. Majority-owned subsidiaries that the Company has control of are consolidated while those subsidiaries of which the Company owns between 20% and 50% and does not control are accounted for as affiliates under the equity method. Those subsidiaries of which the Company owns less than 20% are accounted for as affiliates under the cost method. The results of these subsidiaries and affiliates are included in the consolidated financial statements effective with their formation or from their dates of acquisition. All intercompany balances and transactions are eliminated in consolidation.

Cash and Cash Equivalents — Cash and cash equivalents consist of operating funds held in financial institutions, petty cash held by the theatres and highly liquid investments with remaining maturities of three months or less when purchased.

Inventories — Concession and theatre supplies inventories are stated at the lower of cost (first-in, first-out method) or market.

CINEMARK HOLDINGS, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)
(In thousands, except share and per share data)

Theatre Properties and Equipment — Theatre properties and equipment are stated at cost less accumulated depreciation and amortization. Property additions include the capitalization of $234, $73, $334 and $74 of interest incurred during the development and construction of theatres in 2003, the period from January 1, 2004 to April 1, 2004, the period from April 2, 2004 to December 31, 2004 and 2005, respectively. Depreciation is provided using the straight-line method over the estimated useful lives of the assets as follows:

Category	Useful Life
Buildings	40 years
Theatre furniture and equipment	5 to 15 years
Leasehold interests and improvements	Lesser of lease term or useful life

The Company evaluates theatre properties and equipment for impairment in conjunction with the preparation of its quarterly consolidated financial statements or whenever events or changes in circumstances indicate the carrying amount of the assets may not be fully recoverable. When estimated undiscounted cash flows will not be sufficient to recover a long-lived asset's carrying amount, an impairment review is performed in which the Company compares the carrying value of the asset with its estimated fair value, which is determined based on a multiple of cash flows. The multiple was seven times for the year ended December 31, 2003, the period from January 1, 2004 through April 1, 2004, the period from April 2, 2004 through December 31, 2004 and the year ended December 31, 2005. When estimated fair value is determined to be lower than the carrying value of the long-lived asset, the asset is written down to its estimated fair value.

Lease Accounting — The Company accounts for leased properties under the provisions of Statement of Financial Accounting Standards ("SFAS") No. 13, "*Accounting for Leases"*, and other authoritative accounting literature. SFAS No. 13 requires that the Company evaluate each lease for classification as either a capital lease or an operating lease. According to SFAS No. 13, if substantially all of the benefits and risks of ownership have been transferred to the lessee, the lessee records the lease as a capital lease at its inception. The Company performs this evaluation at the inception of the lease and when a modification is made to a lease. If the lease agreement calls for a scheduled rent increase during the lease term, the Company, in accordance with Financial Accounting Standards Board ("FASB") Technical Bulletin 85-3, "*Accounting for Operating Leases with Scheduled Rent Increases"*, recognizes the lease expense on a straight-line basis over the lease term as deferred lease expense. The Company determines the straight-line rent expense impact of an operating lease upon inception of the lease. For leases in which the Company is involved with construction of the theatre, the Company accounts for the lease during the construction period under the provisions of Emerging Issues Task Force ("EITF") 97-10, "*The Effect of Lessee Involvement in Asset Construction"*. The landlord is typically responsible for constructing a theatre using guidelines and specifications agreed to by the Company and assumes substantially all of the risk of construction. In accordance with EITF 97-10, if the Company concludes that it has substantially all of the construction period risks, it records a construction asset and related liability for the amount of total project costs incurred during the construction period. At the end of the construction period, the Company considers SFAS No. 98, *"Accounting for Leases: Sale-leaseback Transactions Involving Real Estate"*, to determine if the transaction qualifies for sale-leaseback accounting treatment in regards to lease classification.

Goodwill and Other Intangible Assets — The excess of cost over fair value of theatre businesses acquired, less goodwill impairment charges and cumulative foreign currency translation adjustments, is recorded as goodwill. Goodwill and other intangible assets are tested for impairment at the reporting unit level at least annually or whenever events or changes in circumstances indicate the carrying value may not be recoverable. Factors considered include significant underperformance relative to historical or projected business and significant negative industry or economic trends. Goodwill impairment is evaluated using a two-step approach requiring the Company to compute the fair value of a reporting unit (generally at the theatre level), and compare it with its carrying value. If the carrying value of the theatre exceeds its fair value, a second step

CINEMARK HOLDINGS, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)
(In thousands, except share and per share data)

would be performed to measure the potential goodwill impairment. Fair value is estimated based on a multiple of cash flows. The Company performed its annual goodwill impairment evaluation as of December 31, 2005 using a multiple of cash flows of seven times.

Intangible assets consist of goodwill, tradenames, capitalized licensing fees, vendor contracts, net favorable leases, and other intangible assets. The table below summarizes the amortization method used for each type of intangible asset:

Intangible Asset	Amortization Method
Goodwill	Indefinite-lived
Tradename	Indefinite-lived
Capitalized licensing fees	Straight-line method over 15 years
Vendor contracts	Straight-line method over the terms of the underlying contracts. The terms of the underlying contracts range from 1 to 17 years.
Net favorable leases	Based on the pattern in which the economic benefits are realized over the terms of the lease agreements. The terms of the lease agreements range from 1 to 31 years.
Other intangible assets	Straight-line method over the terms of the underlying agreements

Deferred Charges and Other Assets — Deferred charges and other assets consist of debt issue costs, foreign advanced rents, construction advances and other deposits, equipment to be placed in service and other assets. Debt issue costs are amortized using the straight-line method (which approximates the effective interest method) over the primary financing terms of the related debt agreement. Foreign advanced rents represent advance rental payments for long-term foreign leases. These payments are recognized to facility lease expense over the period for which the rent was paid in advance as outlined in the lease agreements. These periods generally range from 10 to 20 years.

Deferred Revenues — Advances collected on long-term screen advertising and concession contracts are recorded as deferred revenues. In accordance with the terms of the agreements, the advances collected on screen advertising contracts are recognized as other revenues during the period in which the revenue is earned based primarily on the Company's attendance counts or screenings, which may differ from the period in which the advances are collected. In accordance with the terms of the agreements, the advances collected on concession contracts are recognized as a reduction in concession supplies expense during the period in which earned which may differ from the period in which the advances are collected.

Revenue and Expense Recognition — Revenues are recognized when admissions and concession sales are received at the box office and screen advertising is shown in the theatres. The Company records proceeds from the sale of gift cards and other advanced sale-type certificates in current liabilities and recognizes admissions and concession revenue when a holder redeems the card or certificate. The Company recognizes unredeemed gift cards and other advanced sale-type certificates as revenue only after such a period of time indicates, based on historical experience, the likelihood of redemption is remote, and based on applicable laws and regulations. In evaluating the likelihood of redemption, the Company considers the period outstanding, the level and frequency of activity, and the period of inactivity. Other revenues primarily consist of screen advertising. Screen advertising revenues are recognized over the period that the related advertising is delivered on-screen or in-theatre.

Film rental costs are accrued based on the applicable box office receipts and either the mutually agreed upon firm terms established prior to the opening of the picture or estimates of the final mutually agreed upon settlement, which occurs at the conclusion of the picture run, subject to the film licensing arrangement. Estimates are based on the expected success of a film over the length of its run in the theatres. The success of a film can typically be determined a few weeks after a film is released when initial box office performance of

CINEMARK HOLDINGS, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)
(In thousands, except share and per share data)

the film is known. Accordingly, final settlements typically approximate estimates since box office receipts are known at the time the estimate is made and the expected success of a film over the length of its run in theatres can typically be estimated early in the film's run. The final film settlement amount is negotiated at the conclusion of the film's run based upon how a film actually performs. If actual settlements are higher than those estimated, additional film rental costs are recorded at that time. The Company recognizes advertising costs and any sharing arrangements with film distributors in the same accounting period. The Company's advertising costs are expensed as incurred. Advertising expenses for the year ended December 31, 2003, the period from January 1, 2004 to April 1, 2004, the period from April 2, 2004 to December 31, 2004, and the year ended December 31, 2005 were $14,643, $3,136, $11,180 and $15,927, respectively.

Stock Option Accounting — On August 2, 2006, Cinemark Holdings, Inc. was formed as the Delaware holding company of Cinemark, Inc., which is the holding company of Cinemark USA, Inc. Pursuant to a share exchange agreement (the "Cinemark Share Exchange"), each outstanding share and option to purchase shares of Cinemark, Inc.'s common stock was exchanged for an equivalent number of shares and options to purchase shares of Cinemark Holdings, Inc.'s common stock. The Cinemark Share Exchange was completed on October 5, 2006.

Compensation expense resulting from the amortization of unearned compensation recorded in the Company's consolidated statements of operations under these former stock option plans was $1,080 and $145 during the year ended December 31, 2003 and the period from January 1, 2004 to April 1, 2004, respectively. During the period from January 1, 2004 to April 1, 2004, the Company recorded additional compensation expense of $1,595 related to the write-off of the remaining unearned compensation for options outstanding as of the date of the MDP Merger and $14,650 related to the cash settlement of these options (see Note 3).

The Company applies Accounting Principles Board ("APB") Opinion No. 25 and related interpretations in accounting for its stock option plans. Had compensation costs been determined based on the fair value at the date of grant for awards under the stock option plans, consistent with the method of SFAS No. 123, "*Accounting for Stock-Based Compensation*" and SFAS No. 148, "*Accounting for Stock-Based Compensation Transition and Disclosure*", the Company's net income (loss) would have been reduced to the pro-forma amounts indicated below:

	Year Ended December 31, 2003 (Predecessor)	January 1, 2004 to April 1, 2004 (Predecessor)	April 2, 2004 to December 31, 2004 (Successor)	Year Ended December 31, 2005 (Successor)
Net income (loss) as reported	$ 44,649	$ (10,633)	$ (3,687)	$ (25,408)
Compensation expense included in reported net income (loss), net of tax(1)	707	88	—	—
Compensation expense under fair-value method, net of tax	(1,054)	(162)	(2,057)	(2,964)
Pro-forma net income (loss)	$ 44,302	$ (10,707)	$ (5,744)	$ (28,372)
Basic earnings (loss) per share				
As reported	$ 1.10	$ (0.26)	$ (0.13)	$ (0.91)
Pro-forma	$ 1.09	$ (0.26)	$ (0.21)	$ (1.02)
Diluted earnings (loss) per share				
As reported	$ 1.09	$ (0.26)	$ (0.13)	$ (0.91)
Pro-forma	$ 1.09	$ (0.26)	$ (0.21)	$ (1.02)

(1) Amount for the period from January 1, 2004 to April 1, 2004 excludes compensation expense of $16,245 related to the MDP Merger included in net income (loss).

The weighted average fair value per share of stock options granted by the Company during 2003 was $12.76 (all of which had an exercise price equal to the market value at the date of grant). For each 2003 grant, compensation expense under the fair value method of SFAS No. 123 was estimated on the date of grant using the Black-Scholes option-pricing model with the following assumptions: dividend yield of 0 percent; an expected life of 6.5 years; expected volatility of approximately 39 percent; and a risk-free interest rate of 3.29 percent. Subsequent to the MDP Merger, the Company established a new long term incentive plan (see Note 15). The weighted average fair value per share of stock options granted by the Company during the period from April 2, 2004 and December 31, 2004 was $22.58 (all of which had an exercise price equal to the market value at the date of grant). For each 2004 grant, compensation expense under the fair value method of SFAS No. 123 was estimated on the date of grant using the Black-Scholes option-pricing model with the following assumptions: dividend yield of 0 percent; an expected life of 6.5 years; expected volatility of approximately 39 percent; and a risk-free interest rate of 3.79 percent. The weighted average fair value per share of stock options granted by the Company during 2005 was $22.58 (all of which had an exercise price equal to the market value at the date of grant). For the 2005 grant, compensation expense under the fair value method of SFAS No. 123 was estimated on the date of grant using the Black-Scholes option-pricing model with the following assumptions: dividend yield of 0 percent; an expected life of 6.5 years; expected volatility of approximately 44 percent; and a risk-free interest rate of 3.93 percent.

Income Taxes — The Company uses an asset and liability approach to financial accounting and reporting for income taxes. Deferred income taxes are provided when tax laws and financial accounting standards differ with respect to the amount of income for a year and the bases of assets and liabilities. A valuation allowance is recorded to reduce the carrying amount of deferred tax assets unless it is more likely than not that such assets will be realized. Income taxes are provided on unremitted earnings from foreign subsidiaries unless such earnings are expected to be indefinitely reinvested. Income taxes have also been provided for potential tax assessments. The related tax accruals are recorded in accordance with SFAS No. 5, *"Accounting for Contingencies"*. To the extent contingencies are probable and estimable, an accrual is recorded within current liabilities in the consolidated balance sheet. To the extent tax accruals differ from actual payments or assessments, the accruals will be adjusted.

Use of Estimates — The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the periods presented. Actual results could differ from those estimates.

Foreign Currency Translations — The assets and liabilities of the Company's foreign subsidiaries are translated into U.S. dollars at current exchange rates as of the balance sheet date, and revenues and expenses are translated at average monthly exchange rates. The resulting translation adjustments are recorded as a separate component of stockholders' equity.

Fair Values of Financial Instruments — Fair values of financial instruments are estimated by the Company using available market information and other valuation methods. Values are based on available market quotes or estimates using a discounted cash flow approach based on the interest rates currently available for similar instruments. The fair values of financial instruments for which estimated fair value amounts are not specifically presented are estimated to approximate the related recorded values.

2. NEW ACCOUNTING PRONOUNCEMENTS

In December 2004, the FASB issued SFAS No. 153, "*Exchanges of Non-monetary Assets-Amendment of APB Opinion No. 29"*. SFAS No. 153 amends APB Opinion No. 29 to eliminate the exception for nonmonetary exchanges of similar productive assets and replaces it with a general exception for exchanges of nonmonetary assets that do not have commercial substance, defined as transactions that are not expected to result in significant changes in the cash flows of the reporting entity. This statement is effective for exchanges of non-monetary assets occurring after June 15, 2005. The adoption of SFAS No. 153 did not have a material impact on the Company's consolidated financial statements.

In December 2004, the FASB issued SFAS No. 123(R), *"Share-Based Payment"*, which supercedes APB Opinion No. 25, *"Accounting for Stock Issued to Employees,"* and replaces SFAS No. 123, *"Accounting for Stock-Based Compensation".* This statement establishes accounting standards for all transactions in which an entity exchanges its equity instruments for goods and services. SFAS No. 123(R) focuses primarily on accounting for transactions with employees, and carries forward without change prior guidance for share-based payments for transactions with non-employees. SFAS No. 123(R) eliminates the intrinsic value measurement objective in APB Opinion No. 25 and generally requires the Company to measure the cost of employee services received in exchange for an award of equity instruments based on the fair value of the award on the date of the grant. The standard requires grant date fair value to be estimated using either an option-pricing model, which is consistent with the terms of the award, or a market observed price, if such a price exists. Such cost must be recognized over the period during which an employee is required to provide service in exchange for the award (which is usually the vesting period). The standard also requires the Company to estimate the number of instruments that will ultimately be issued, rather than accounting for forfeitures as they occur. The Company is required to apply SFAS No. 123(R) to all awards granted, modified or settled in its first annual reporting period after December 15, 2005. The Company will be required to use the "modified prospective method", under which it must recognize compensation cost for all awards granted after it adopts the standard and for the unvested portion of previously granted awards that are outstanding on that date. The Company performed a preliminary analysis of the impact of SFAS 123(R). The Company has 1,538,062 unvested options outstanding on January 1, 2006 and the pre-tax compensation expense related to these options is estimated to be approximately $2,900 for the year ended December 31, 2006.

3. MERGER WITH MADISON DEARBORN PARTNERS AND RELATED REFINANCING OF CERTAIN LONG-TERM DEBT

On March 12, 2004, the Company entered into an agreement and plan of merger with a newly formed subsidiary of MDP. The MDP Merger was completed on April 2, 2004, at which time the newly formed subsidiary of MDP was merged with and into the Company, with the Company continuing as the surviving corporation. Simultaneously, an affiliate of MDP purchased shares of the Company's common stock for $518,245 in cash and became the Company's controlling stockholder, owning approximately 83% of the Company's capital stock. Lee Roy Mitchell, the Company's then Chief Executive Officer, and the Mitchell Special Trust collectively retained approximately 16% ownership of the Company's capital stock with certain members of management owning the remaining 1%. The transaction was accounted for under the purchase

CINEMARK HOLDINGS, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)
(In thousands, except share and per share data)

method of accounting. The following table represents the allocation of MDP purchase price to the proportionate share of assets acquired and liabilities assumed:

Current assets	$ 79,967
Fixed assets	650,653
Goodwill(a)	620,540
Intangible assets	258,567
Other long term assets	42,384
Current liabilities	(90,940)
Other long term liabilities	(120,232)
Long-term debt	(922,694)
	$ 518,245

(a) The goodwill recorded as a result of the MDP Merger is not deductible for tax purposes.

On March 31, 2004, the Company issued $577,173 aggregate principal amount at maturity of 9$^{3}/_{4}$% senior discount notes due 2014. The gross proceeds at issuance of $360,000 were used to fund in part the MDP Merger. Interest on the notes accretes until March 15, 2009 up to their aggregate principal amount. Cash interest will accrue and be payable semi-annually in arrears on March 15 and September 15, commencing on September 15, 2009. Due to the Company's holding company status, payments of principal and interest under these notes will be dependent on loans, dividends and other payments from the Company's subsidiaries. On September 22, 2005, the Company repurchased $1,840 aggregate principal amount at maturity of the 9$^{3}/_{4}$% senior discount notes as part of an open market purchase for approximately $1,302, including accreted interest. As of December 31, 2005, the accreted principal balance of the notes was $423,978 and the aggregate principal amount at maturity will be $575,333. Upon a change of control, the Company would be required to make an offer to repurchase all of the 9$^{3}/_{4}$% senior discount notes at a price equal to 101% of the accreted value of the notes plus accrued and unpaid interest, if any, through the date of purchase. The Company's subsidiaries have no obligation, contingent or otherwise, to pay the amounts due under the 9$^{3}/_{4}$% senior discount notes or to make funds available to pay those amounts. The 9$^{3}/_{4}$% senior discount notes are general, unsecured senior obligations of the Company that are effectively subordinated to indebtedness and other liabilities of the Company's subsidiaries.

Upon consummation of the MDP Merger on April 2, 2004, all of the Company's outstanding stock options immediately vested and the majority were repurchased, which resulted in compensation expense of $16,245. Compensation expense, which was included in general and administrative expenses, consisted of the write-off of the unamortized unearned compensation expense for options outstanding as of the date of the MDP Merger and the impact of the cash settlement of these options. As part of the transaction, the Company paid change of control fees and other management compensation expenses of $15,749, which were also included in general and administrative expenses on the Company's consolidated statements of operations for the period from January 1, 2004 to April 1, 2004.

As a result of the MDP Merger, the Company's Brazilian partners exercised their option to cause the Company to purchase all of their shares of common stock of Cinemark Brasil S.A., which represented 47.2% of total common stock of Cinemark Brasil S.A. See Note 4.

Refinancing of Certain Long-Term Debt — On March 16, 2004, the Company initiated a tender offer for its then outstanding $105,000 aggregate principal amount 8$^{1}/_{2}$% senior subordinated notes due 2008 and a consent solicitation to remove substantially all restrictive covenants in the indenture governing those notes. On March 25, 2004, a supplemental indenture removing substantially all of the covenants was executed and became effective on the date of the MDP Merger. Additionally, on the date of the MDP Merger, the Company amended its then existing senior secured credit facility to provide for a $260,000 seven year term loan and a $100,000 six and one-half year revolving credit line, which was left undrawn. The net proceeds from the amended senior secured credit facility were used to repay the term loan under the Company's then existing senior secured credit facility of approximately $163,763 and to redeem the $94,165 aggregate principal amount of the Company's then outstanding $105,000 aggregate principal amount of 8 1/2% senior subordinated notes that were tendered pursuant to the tender offer. The tender offer was made at 104.5% of the aggregate principal amount of the notes tendered on or prior to the consent date and at 101.5% of the aggregate principal amount of the notes tendered subsequent to the consent date but prior to the expiration date.

On April 6, 2004, as a result of the consummation of the MDP Merger and in accordance with the terms of the indenture governing the Company's 9% senior subordinated notes due 2013, the Company made a change of control offer to purchase the 9% senior subordinated notes at a purchase price of 101% of the aggregate principal amount, plus accrued and unpaid interest, if any, at the date of purchase. Approximately $17,750 aggregate principal amount of the 9% senior subordinated notes were tendered and not withdrawn in the change of control offer, which expired on May 26, 2004. The Company paid the change of control price with available cash on June 1, 2004.

On July 28, 2004, the Company provided notice to the holders of the remaining outstanding 8 1/2% senior subordinated notes due 2008 of its election to redeem all outstanding notes at a redemption price of 102.833% of the aggregate principal amount plus accrued interest. On August 27, 2004, the Company redeemed the remaining $10,835 aggregate principal amount of notes utilizing available cash and borrowings under the Company's amended revolving credit line.

The amended senior secured credit facility was further amended on August 18, 2004 to, among other things, reduce the interest rate applicable to the term loan. Under the amended term loan, principal payments of $650 are due each calendar quarter through March 31, 2010 and increase to $61,100 each calendar quarter from June 30, 2010 to maturity at March 31, 2011. The amended term loan bears interest, at the Company's option, at: (A) the base rate equal to the higher of (i) the prime lending rate as set forth on the British Banking Association Telerate page 5 or (ii) the federal funds effective rate from time to time plus 0.50%, plus a margin of 1.00% per annum, or (B) a "eurodollar rate" plus a margin of 2.00% per annum. After the completion of two fiscal quarters after the closing date, the margin under the amended term loan applicable to base rate loans ranges from 0.75% per annum to 1.00% per annum and the margin applicable to eurodollar rate loans ranges from 1.75% per annum to 2.00% per annum, and will be adjusted based upon the Company achieving certain performance targets.

Borrowings under the amended revolving credit line bear interest, at the Company's option, at: (A) a base rate equal to the higher of (i) the prime lending rate as set forth on the British Banking Association Telerate page 5 or (ii) the federal funds effective rate from time to time plus 0.50%, plus a margin of 1.50% per annum, or (B) a "eurodollar rate" plus a margin of 2.50% per annum. After the completion of two fiscal quarters after the closing date, the margin under the amended revolving credit line applicable to base rate loans ranges from 1.00% per annum to 1.50% per annum and the margin applicable to eurodollar rate loans ranges from 2.00% per annum to 2.50% per annum, and will be adjusted based upon the Company achieving certain performance targets. The Company is required to pay a commitment fee calculated at the rate of 0.50% per annum on the average daily unused portion of the amended revolving credit line, payable quarterly in arrears.

See Note 11 for further discussion of long-term debt.

(In thousands, except share and per share data)

4. ACQUISITIONS

Interstate Theatres

During 2003, the Company accounted for its 50% investment in Interstate Theatres, L.L.C. under the equity method of accounting. On December 31, 2003, the Company purchased the remaining 50% interest in Interstate Theatres, L.L.C, which owns 80% of Interstate Theatres II, L.L.C. The Company accounted for the purchase as a step acquisition. The total purchase price of $1,500 was allocated to theatre properties and equipment of $404, working capital of $66 and goodwill of $1,030. Results of operations for Interstate Theatres, L.L.C. and its subsidiary (the "Interstate theatres") are included in the Company's consolidated statements of operations for the period from January 1, 2004 to April 1, 2004 and for the period from April 2, 2004 to December 23, 2004. On December 23, 2004, the Company sold Interstate Theatres. See Note 6.

Cinemark Brasil, S.A.

As a result of the MDP Merger, the Company's Brazilian partners exercised their option to cause the Company to purchase all of their shares of common stock of Cinemark Brasil S.A., which represented 47.2% of total common stock of Cinemark Brasil S.A. The Company, through its subsidiary Brasil Holdings, LLC, directly and indirectly purchased the partners' shares of Cinemark Brasil S.A. for $44,958 with available cash on August 18, 2004. The Company also incurred $771 of legal, accounting and other direct costs, which were capitalized as part of the acquisition. Prior to the acquisition, Cinemark Brasil S.A. was reported as a consolidated subsidiary and the Brazilian partners' 47.2% interest was shown as minority interest in subsidiaries on the Company's consolidated balance sheet. As a result of this acquisition, the Company owns 100% of the common stock in Cinemark Brasil S.A. The Company accounted for the purchase as a step acquisition and finalized its purchase accounting during June 2005. The following assets and liabilities were recorded at their estimated fair values. Net book value of all other assets and liabilities approximated fair value and therefore did not require adjustment.

Net favorable leases	$ 730
Vendor contracts	2,231
Goodwill	23,962
Reduction of minority interest liability	18,806
	$ 45,729

The net favorable leases and vendor contracts are presented as intangible assets on the Company's consolidated balance sheet as of December 31, 2005. The net favorable leases will be amortized over three to seventeen years based upon the pattern in which the economic benefits are realized during the terms of the lease agreements. The vendor contracts will be amortized on a straight-line basis over the remaining terms of the contracts. The average remaining years for the net favorable leases and the vendor contracts are approximately five and two years, respectively. As of December 31, 2005, accumulated amortization on the intangible assets was $1,728. The goodwill recorded as a result of the acquisition is deductible for tax purposes in Brazil.

Cinemark Mexico

On September 15, 2004, the Company purchased shares of common stock of its Mexican subsidiary from its Mexican partners, increasing its ownership interest in the Mexican subsidiary from 95.0% to 99.4%. The purchase price was $5,379 and was funded with available cash and borrowings on the Company's amended revolving credit line. Prior to the acquisition, Cinemark Mexico USA was reported as a consolidated subsidiary and the Mexican partners' 4.4% interest was shown as minority interest in subsidiaries on the Company's consolidated balance sheet. The Company accounted for the purchase as a step acquisition and finalized its purchase accounting during June 2005. The following assets and liabilities were recorded at their estimated fair values. Net book value of all other assets and liabilities approximated fair value and therefore did not require adjustment.

(In thousands, except share and per share data)

Vendor contract	$ 439
Net favorable leases	480
Tradename	1,179
Goodwill	1,715
Reduction of minority interest liability	1,566
	$ 5,379

The vendor contract, net favorable leases and tradename are presented as intangible assets on the Company's consolidated balance sheet as of December 31, 2005. The vendor contract will be amortized on a straight-line basis over the remaining term of the contract, which is approximately two years. The net favorable leases will be amortized over five to twenty-one years based upon the pattern in which the economic benefits are realized during the terms of the lease agreements. The average remaining years for the net favorable leases is approximately nine years. The tradename is an indefinite-lived intangible asset and is not amortized, but is tested for impairment annually. As of December 31, 2005, accumulated amortization on these intangible assets was $207. The goodwill recorded as a result of the acquisition is not deductible for tax purposes.

5. INVESTMENT IN NATIONAL CINEMEDIA LLC

On July 15, 2005, Cinemark Media, Inc., a wholly-owned subsidiary of the Company, purchased a 20.7% interest in National CineMedia LLC ("National CineMedia") for approximately $7,329. National CineMedia is a joint venture between Regal Entertainment Group, AMC Entertainment Inc. and the Company. National CineMedia provides marketing, sales and distribution of cinema advertising and promotional products; business communications and training services; and the distribution of digital alternative content. As part of the transaction, the Company and National CineMedia entered into an exhibitor services agreement, pursuant to which National CineMedia provides advertising, promotion and event services to the Company's theatres, and a software license agreement in connection with the licensing of certain software and related rights. During 2005, the Company used only limited services offered by National CineMedia while the Company fulfilled its existing contractual theatre advertising obligations.

The Company is accounting for its investment in National CineMedia under the equity method of accounting. The Company's investment in National CineMedia is included in investments in and advances to affiliates on the Company's consolidated balance sheets. Equity income was immaterial in 2005. Under the terms of its agreement with National CineMedia, the Company is required to install digital distribution technology in certain of its domestic theatres. The Company estimates that it will spend approximately $25,000 for digital projectors and related equipment necessary to show various digital media. As of December 31, 2005, the Company had purchased approximately $9,731 for these digital projectors and expects to purchase the remaining $15,269 by May 31, 2006.

As part of the joint venture, the Company, Regal Entertainment Group, AMC Entertainment Inc. and National CineMedia signed a promissory note under which the Company, Regal Entertainment Group and AMC Entertainment Inc. are obligated to make pro rata loans to National CineMedia on a revolving basis as needed. The maximum amount that National CineMedia can borrow under the note is $11,000 for which the Company's obligation would be approximately $2,300. Amounts borrowed by National CineMedia are due in full upon the earlier of March 31, 2007 or an event of default as defined in the promissory note. National

(In thousands, except share and per share data)

CineMedia will pay interest on outstanding amounts on a monthly basis at a rate of LIBOR plus 200 basis points. As of December 31, 2005, $264 was outstanding under this promissory note, which was included in deferred charges and other assets on the Company's consolidated balance sheet.

6. DISCONTINUED OPERATIONS

As of March 31, 2004, the Company's two United Kingdom theatres met the criteria of assets held for sale in accordance with SFAS No. 144, *"Accounting for Impairment or Disposal of Long-Lived Assets."* On April 30, 2004, the Company sold its two United Kingdom theatres through the sale of all of the capital stock of Cinemark Theatres UK, Ltd., its United Kingdom subsidiary. The Company received $2,646 in proceeds upon closing of the transaction and $540 once the final working capital position was determined in accordance with the stock purchase agreement. The sale resulted in a loss of $463, which is included in income (loss) from discontinued operations, net of taxes, in the Company's consolidated statements of operations.

On December 23, 2004, the Company sold eleven discount theatres ("Interstate theatres") through the sale of all of the capital stock of Interstate Holdings, Inc. The Company received $5,810 in proceeds upon closing of the transaction. The sale resulted in a gain of $1,720, which is included in income (loss) from discontinued operations, net of taxes, in the Company's consolidated statements of operations.

The results of operations for the United Kingdom and Interstate theatres have been classified as discontinued operations for all periods presented. Amounts reported as discontinued operations in the Company's consolidated statements of operations include the following components:

	Year Ended December 31, 2003 (Predecessor)	January 1, 2004 to April 1, 2004 (Predecessor)	April 2, 2004 to December 31, 2004 (Successor)
Admissions	$ 4,328	$ 1,730	$ 3,163
Concession	1,878	1,285	4,056
Other	513	326	811
Total revenues	6,719	$ 3,341	$ 8,030
Costs and Expenses			
Cost of operations:			
Film rentals and advertising	1,863	757	1,434
Concession supplies	365	262	643
Salaries and wages	1,043	628	1,638
Facility lease expense	1,395	608	1,076
Utilities and other	799	634	1,581
Total cost of operations	5,465	2,889	6,372
General and administrative expenses	496	277	220
Depreciation and amortization	656	83	212
Impairment of long-lived assets	2,500	—	—
(Gain) loss on sale of assets and other	540	1,800	(3,057)
Total costs and expenses	9,657	5,049	3,747

CINEMARK HOLDINGS, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)
(In thousands, except share and per share data)

	Year Ended December 31, 2003 (Predecessor)	January 1, 2004 to April 1, 2004 (Predecessor)	April 2, 2004 to December 31, 2004 (Successor)
Operating income (loss)	(2,938)	(1,708)	4,283
Equity in income of affiliates	323	—	—
Minority interests in (income) loss of subsidiaries	—	14	(55)
Income (loss) before income taxes	(2,615)	(1,694)	4,228
Income tax expense (benefit)	125	(129)	73
Income (loss) from discontinued operations	$ (2,740)	$ (1,565)	$ 4,155

Net cash flows from operating, investing and financing activities related to the United Kingdom and Interstate theatres were immaterial for all periods presented and are included in the respective sections of the statements of cash flows.

CINEMARK HOLDINGS, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)
(In thousands, except share and per share data)

7. EARNINGS PER SHARE

Basic earnings (loss) per share is computed by dividing income (loss) by the weighted average number of shares of all classes of common stock outstanding during the period. Diluted earnings (loss) per share is computed by dividing income (loss) by the weighted average number of shares of common stock and potentially dilutive common equivalent shares outstanding determined under the treasury stock method.

The following table sets forth the computation of basic and diluted earnings (loss) per share:

	Year Ended December 31, 2003 (Predecessor)	January 1, 2004 to April 1, 2004 (Predecessor)	April 2, 2004 to December 31, 2004 (Successor)	Year Ended December 31, 2005 (Successor)
Income (loss) from continuing operations after income taxes	$ 47,389	$ (9,068)	$ (7,842)	$ (25,408)
Basic:				
Weighted average common shares outstanding	40,516	40,614	27,675	27,784
Income (loss) from continuing operations after income taxes per common share	$ 1.17	$ (0.22)	$ (0.28)	$ (0.91)
Diluted:				
Weighted average common shares outstanding	40,516	40,614	27,675	27,784
Common equivalent shares for stock options	279	—	—	—
Weighted average common and common equivalent shares outstanding	40,795	40,614	27,675	27,784
Income (loss) from continuing operations after income taxes per common and common equivalent share	$ 1.16	$ (0.22)	$ (0.28)	$ (0.91)

Common equivalent shares for stock options of 527 were excluded from the diluted earnings (loss) per share calculation for the period from January 1, 2004 to April 1, 2004 because they were anti-dilutive.

CINEMARK HOLDINGS, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)
(In thousands, except share and per share data)

8. GOODWILL AND OTHER INTANGIBLE ASSETS — NET

The Company's goodwill is as follows:

	U.S.	Brazil	Mexico	Argentina	Chile	Other International Locations	Total
Predecessor balance at December 31, 2003	$ 6,312	$ —	$ —	$ 239	$ 2,994	$ 2,538	$ 12,083
Foreign currency translation adjustment	—	—	—	6	(114)	1	(107)
Predecessor balance at April 1, 2004	$ 6,312	$ —	$ —	$ 245	$ 2,880	$ 2,539	$ 11,976
Write-off 83% of existing goodwill	(5,239)	—	—	(203)	(2,390)	(2,108)	(9,940)
Record goodwill at fair value as a result of the MDP Merger	475,284	49,657	55,754	6,357	10,897	22,591	620,540
Purchase from minority investors	—	26,923	3,813	—	—	—	30,736
Write-off related to theatre closure	(700)	—	—	—	—	—	(700)
Impairment charge	(31,775)	(1,103)	(1,156)	—	(993)	(721)	(35,748)
Sale of Interstate Theatres, L.L.C.	(2,650)	—	—	—	—	—	(2,650)
Foreign currency translation adjustment	—	(1,317)	259	253	(989)	(1,464)	(3,258)
Successor balance at December 31, 2004	$ 441,232	$ 74,160	$ 58,670	$ 6,652	$ 9,405	$ 20,837	$ 610,956
Write-off related to theatre closure	(1,432)	—	—	—	—	—	(1,432)
Impairment charge	(38,403)	(684)	(3,203)	(724)	(434)	(1,853)	(45,301)
Purchase from minority investors purchase price allocation adjustments	—	(2,961)	(2,098)	—	—	—	(5,059)
Foreign currency translation adjustment	—	(4,132)	(3,158)	109	(820)	374	(7,627)
Successor balance at December 31, 2005	$ 401,397	$ 66,383	$ 50,211	$ 6,037	$ 8,151	$ 19,358	$ 551,537

See Note 6 regarding the sale of Interstate Theatres, L.L.C. See Note 4 regarding the purchase price allocation adjustments for Brazil and Mexico.

CINEMARK HOLDINGS, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)
(In thousands, except share and per share data)

Impairment charges for 2004 and 2005 relate to goodwill associated with theatre properties. We record goodwill at the theatre level which results in more volatile impairment charges on an annual basis due to changes in market conditions.

As of December 31, intangible assets-net, consisted of the following:

	Balance at December 31, 2004	Additions	Foreign Currency Translation Adjustment	Balance at December 31, 2005
Intangible assets with finite lives:				
Capitalized licensing fees:				
Gross carrying amount	$ 4,638	$ 500	$ —	$ 5,138
Accumulated amortization	(493)	(298)	—	(791)
Net carrying amount	$ 4,145	$ 202	$ —	$ 4,347
Vendor contracts:				
Gross carrying amount	52,262	2,670	1,627	56,559
Accumulated amortization	(5,682)	(9,280)	—	(14,962)
Net carrying amount	$ 46,580	$ (6,610)	$ 1,627	$ 41,597
Net favorable leases:				
Gross carrying amount	30,575	1,210	892	32,677
Accumulated amortization	(3,087)	(4,175)	—	(7,262)
Net carrying amount	$ 27,488	$ (2,965)	$ 892	$ 25,415
Other intangible assets:				
Gross carrying amount	1,668	—	(5)	1,663
Accumulated amortization	(232)	(325)	—	(557)
Net carrying amount	$ 1,436	$ (325)	$ (5)	$ 1,106
Total net intangible assets with finite lives	$ 79,649	$ (9,698)	$ 2,514	$ 72,465
Intangible assets with indefinite lives:				
Tradename	173,490	1,179	(956)	173,713
Other unamortized intangible assets	3	—	—	3
Total intangible assets — net	$ 253,142	$ (8,519)	$ 1,558	$ 246,181

During the year ended December 31, 2005, the Company recorded intangible assets as a result of the final purchase price allocations for its Brazil and Mexico acquisitions (see Note 4) and recorded $500 of capitalized licensing fees as a result of a new licensing agreement.

CINEMARK HOLDINGS, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)
(In thousands, except share and per share data)

Estimated aggregate future amortization expense for intangible assets is as follows:

For the year ended December 31, 2006	$ 9,344
For the year ended December 31, 2007	7,577
For the year ended December 31, 2008	7,183
For the year ended December 31, 2009	6,511
For the year ended December 31, 2010	5,940
Thereafter	35,910
Total	$ 72,465

9. IMPAIRMENT OF LONG-LIVED ASSETS

In accordance with SFAS No. 144, "*Accounting for the Impairment or Disposal of Long-Lived Assets*," the Company reviews long-lived assets for impairment on a quarterly basis or whenever events or changes in circumstances indicate the carrying amount of the assets may not be fully recoverable.

The Company considers actual theatre level cash flows, future years budgeted theatre level cash flows, theatre property and equipment carrying values, theatre goodwill carrying values, amortizing intangible assets carrying values, the age of a recently built theatre, competitive theatres in the marketplace, the sharing of a marketplace with other Company theatres, changes in foreign currency exchange rates, the impact of recent ticket price changes, available lease renewal options and other factors in its assessment of impairment of individual theatre assets. Long-lived assets are evaluated for impairment on an individual theatre basis or a group basis if the group of theatres shares the same marketplace, which the Company believes is the lowest applicable level for which there are identifiable cash flows. The impairment evaluation is based on the estimated undiscounted cash flows from continuing use through the remainder of the theatre's useful life. The remainder of the useful life correlates with the available remaining lease period, which includes the probability of renewal periods, for leased properties and a period of twenty years for fee owned properties. If the estimated undiscounted cash flows are not sufficient to recover a long-lived asset's carrying value, the Company then compares the carrying value of the asset with its estimated fair value. Fair value is determined based on a multiple of cash flows, which was seven times for the year ended December 31, 2005. When estimated fair value is determined to be lower than the carrying value of the long-lived asset, the asset is written down to its estimated fair value.

The Company's long-lived asset impairment losses are summarized in the following table:

Theatre properties and equipment	Year Ended December 31, 2003 (Predecessor)	January 1, 2004 to April 1, 2004 (Predecessor)	April 2, 2004 to December 31, 2004 (Successor)	Year Ended December 31, 2005 (Successor)
United States				
Theatre properties	$ 820	$ 1,000	$ 973	$ 5,626
Land parcels	2,200	—	—	—
Chile theatre properties	529	—	—	750
Mexico theatre properties	1,241	—	—	—
Subtotal	$ 4,790	$ 1,000	$ 973	$ 6,376
Goodwill (see Note 8)	259	—	35,748	45,301
Impairment of long-lived assets	$ 5,049	$ 1,000	$ 36,721	$ 51,677

CINEMARK HOLDINGS, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)
(In thousands, except share and per share data)

The Company's long-lived asset impairment charges, other than goodwill, primarily related to write-downs of underperforming theatre properties and land parcels to fair value.

10. DEFERRED CHARGES AND OTHER ASSETS — NET

As of December 31, deferred charges and other assets — net consisted of the following:

	2004	2005
Debt issue costs	$ 27,128	$ 27,330
Less: Accumulated amortization	(2,478)	(5,218)
Subtotal	24,650	22,112
Foreign advanced rents	6,626	11,782
Construction advances and other deposits	1,728	2,026
Equipment to be placed in service	3,599	3,744
Brazil value added tax deposit	3,178	3,602
Other	2,721	2,718
Total	$ 42,502	$ 45,984

11. LONG-TERM DEBT

Long-term debt at December 31 consisted of the following:

	2004	2005
Cinemark, Inc. 9$^3/_4$% senior discount notes due 2014	$ 386,731	$ 423,978
Cinemark USA, Inc. 9% senior subordinated notes due 2013	367,275	364,170
Cinemark USA, Inc. Term Loan	258,050	255,450
Cinemark Chile S.A. Notes Payable	7,324	6,587
Other long-term debt	6,675	4,910
Total long-term debt	1,026,055	1,055,095
Less current portion	6,539	6,871
Long-term debt, less current portion	$ 1,019,516	$ 1,048,224

Senior Discount Notes

On March 31, 2004, the Company issued $577,173 aggregate principal amount at maturity of 9$^3/_4$% senior discount notes due 2014. The gross proceeds at issuance of $360,000 were used to fund in part the MDP Merger. Interest on the notes accretes until March 15, 2009 up to their aggregate principal amount. Cash interest will accrue and be payable semi-annually in arrears on March 15 and September 15, commencing on September 15, 2009. Due to the holding company status of the Company, payments of principal and interest under these notes will be dependent on loans, dividends and other payments from the Company's subsidiaries. On September 22, 2005, the Company repurchased $1,840 aggregate principal amount at maturity of the 9$^3/_4$% senior discount notes as part of an open market purchase for approximately $1,302, including accreted interest. As of December 31, 2005, the accreted principal balance of the notes was $423,978 and the aggregate principal amount at maturity will be $575,333. Upon a change of control, the Company would be required to make an offer to repurchase all of the 9$^3/_4$% senior discount notes at a price equal to 101% of the accreted value of the notes plus accrued and unpaid interest, if any, through the date of purchase. The Company's subsidiaries have no obligation, contingent or otherwise, to pay the amounts due under the 9$^3/_4$% senior discount notes or to make funds available to pay those amounts. The 9$^3/_4$% senior discount notes are general, unsecured senior obligations of the Company that are effectively subordinated to indebtedness and other liabilities of the Company's subsidiaries.

The indenture governing the 9$^3/_4$% senior discount notes contains covenants that limit, among other things, dividends, transactions with affiliates, investments, sales of assets, mergers, repurchases of our capital stock, liens and additional indebtedness. The dividend restriction contained in the indenture prevents Cinemark, Inc. from paying a dividend or otherwise distributing cash to its stockholders unless (1) it is not in default, and the distribution would not cause it to be in default, under the indenture; (2) it would be able to incur at least $1.00 more of indebtedness without the ratio of its consolidated cash flow to its fixed charges (each as defined in the indenture, and calculated on a pro forma basis for the most recently ended four full fiscal quarters for which internal financial statements are available, using certain assumptions and modifications specified in the indenture, and including the additional indebtedness then being incurred) falling below two to one (the "senior notes debt incurrence ratio test"); and (3) the aggregate amount of distributions made since March 31, 2004, including the distribution proposed, is less than the sum of (a) half of its consolidated net income (as defined in the indenture) since February 11, 2003, (b) the net proceeds to it from the issuance of stock since April 2, 2004, and (c) certain other amounts specified in the indenture, subject to certain adjustments specified in the indenture. The divided restriction is subject to certain exceptions specified in the indenture.

Retirement of Outstanding Senior Subordinated Notes

On March 16, 2004, in connection with the MDP Merger, the Company initiated a tender offer for its then outstanding $105,000 aggregate principal amount 8 $^1/_2$% senior subordinated notes due 2008 and a consent solicitation to remove substantially all restrictive covenants in the indenture governing those notes. On March 25, 2004, the Company executed a supplemental indenture removing substantially all of the covenants, which became effective on the date of the MDP Merger. Additionally, on the date of the MDP Merger, the Company amended its then existing senior secured credit facility to provide for a $260,000 seven year term loan and a $100,000 six and one-half year revolving credit line, which was left undrawn. The net proceeds from the amended senior secured credit facility were used to repay the term loan under the Company's then existing senior secured credit facility of approximately $163,764 and to redeem the approximately $94,165 aggregate principal amount of the Company's then outstanding $105,000 aggregate principal amount of 8$^1/_2$% senior subordinated notes that were tendered pursuant to the tender offer. The tender offer was made at 104.5% of the principal amount of the notes tendered on or prior to the consent date and at 101.5% of the principal amount of the notes tendered subsequent to the consent date but prior to the expiration date. The unamortized bond discount, tender offer repurchase costs, including premiums paid, and other fees of $4,411 related to the retirement of the 8$^1/_2$% notes were recorded as a loss on early retirement of debt in the Company's consolidated statements of operations for the period from April 2, 2004 to December 31, 2004.

On April 6, 2004, as a result of the consummation of the MDP Merger and in accordance with the terms of the indenture governing the Company's 9% senior subordinated notes due 2013, the Company made a change of control offer to purchase the 9% senior subordinated notes at a purchase price of 101% of the aggregate principal amount, plus accrued and unpaid interest, if any, at the date of purchase. Approximately $17,750 aggregate principal amount of the 9% senior subordinated notes were tendered and not withdrawn in the change of control offer, which expired on May 26, 2004. The Company paid the change of control price with available cash on June 1, 2004. The unamortized bond premium, unamortized debt issue costs, tender offer repurchase costs, including premiums paid, and other fees of $1,057 related to the retirement of the 9% notes were recorded as a gain on early retirement of debt in the Company's consolidated statements of operations for the period from April 2, 2004 to December 31, 2004.

CINEMARK HOLDINGS, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)
(In thousands, except share and per share data)

On July 28, 2004, the Company provided notice to the holders of the remaining outstanding $8^1/_2$% senior subordinated notes due 2008 of its election to redeem all outstanding notes at a redemption price of 102.833% of the aggregate principal amount plus accrued interest. On August 27, 2004, the Company redeemed the remaining notes utilizing available cash and borrowings under the Company's revolving credit line. The unamortized bond premium, tender offer repurchase costs, including premiums paid, and other fees of $45 related to the retirement of the $8^1/_2$% notes were recorded as a gain on early retirement of debt in the Company's consolidated statements of operations for the period from April 2, 2004 to December 31, 2004.

Senior Subordinated Notes

As of December 31, 2005, the Company had outstanding $342,250 aggregate principal amount of 9% senior subordinated notes due 2013. Interest is payable on February 1 and August 1 of each year. The Company may redeem all or part of the existing 9% notes on or after February 1, 2008.

The senior subordinated notes are general, unsecured obligations and are subordinated in right of payment to the amended senior secured credit facility or other senior indebtedness. The notes are guaranteed by certain of the Company's domestic subsidiaries. The guarantees are subordinated to the senior debt of the subsidiary guarantors and rank pari passu with the senior subordinated debt of the Company's guarantor subsidiaries. The notes are effectively subordinated to the indebtedness and other liabilities of the Company's non-guarantor subsidiaries.

The indenture governing the senior subordinated notes contains covenants that limit, among other things, dividends, transactions with affiliates, investments, sales of assets, mergers, repurchases of our capital stock, liens and additional indebtedness. The dividend restriction contained in the indenture prevents Cinemark USA, Inc. from paying a dividend or otherwise distributing cash to its capital stockholders unless (1) it is currently not in default, and the distribution would not cause it to be in default, under the indenture; (2) it would be able to incur at least $1.00 more of indebtedness without the ratio of its EBITDA (as defined in the indenture) for the four full fiscal quarters prior to the incurrence of such indebtedness to the amount of its consolidated interest expense (as defined in the indenture) for the quarter in which the indebtedness is incurred and the following three fiscal quarters (each calculated on a pro forma basis using certain assumptions and modifications specified in the indenture, and including the additional indebtedness then being incurred) falling below two to one (the "senior sub notes debt incurrence ratio test"); and (3) the aggregate amount of distributions made since February 11, 2003, including the distribution currently proposed, is less than the sum of (a) half of its consolidated net income (as defined in the indenture) since February 11, 2003, (b) the net proceeds to it from the issuance of stock since February 11, 2003, and (c) certain other amounts specified in the indenture, subject to certain adjustments specified in the indenture. The dividend restriction is subject to certain exceptions specified in the indenture. Upon a change of control, the Company would be required to make an offer to repurchase the senior subordinated notes at a price equal to 101% of the principal amount outstanding plus accrued and unpaid interest through the date of repurchase. The indenture governing the senior subordinated notes allows the Company to incur additional indebtedness if it satisfies the coverage ratio specified in the indenture, after giving effect to the incurrence of the additional indebtedness, and in certain other circumstances.

Senior Secured Credit Facility

On April 2, 2004, the Company amended its then existing senior secured credit facility in connection with the MDP Merger. The amended senior secured credit facility provides for a $260,000 seven year term loan and a $100,000 six and one-half year revolving credit line. The net proceeds from the amended senior secured credit facility were used to repay the existing term loan of approximately $163,764 and to redeem the approximately $94,165 aggregate principal amount of the Company's then outstanding $105,000 aggregate principal amount 8 1/2% senior subordinated notes due 2008 that were tendered pursuant to the tender offer.

The amended senior secured credit facility was further amended on August 18, 2004 to, among other things, reduce the interest rate applicable to the term loan. Under the amended term loan, principal payments of $650 are due each calendar quarter through March 31, 2010 and increase to $61,100 each calendar quarter from June 30, 2010 to maturity at March 31, 2011. The amended term loan bears interest, at the Company's option, at: (A) the base rate equal to the higher of (i) the prime lending rate as set forth on the British Banking Association Telerate page 5 or (ii) the federal funds effective rate from time to time plus 0.50%, plus a margin of 1.00% per annum, or (B) a "eurodollar rate" plus a margin of 2.00% per annum. After the completion of two fiscal quarters after the closing date, the margin under the amended term loan applicable to base rate loans ranges from 0.75% per annum to 1.00% per annum and the margin applicable to eurodollar rate loans ranges from 1.75% per annum to 2.00% per annum, and will be adjusted based upon the Company achieving certain performance targets.

At December 31, 2005, there was $255,450 outstanding under the amended term loan and no borrowings outstanding under the amended revolving credit line. Approximately $99,931 was available for borrowing under the amended revolving credit line, giving effect to a $69 letter of credit outstanding. The average interest rate on outstanding borrowings under the amended senior secured credit facility at December 31, 2005 was 6.5% per annum.

Borrowings under the amended revolving credit line bear interest, at the Company's option, at: (A) a base rate equal to the higher of (i) the prime lending rate as set forth on the British Banking Association Telerate page 5 or (ii) the federal funds effective rate from time to time plus 0.50%, plus a margin of 1.50% per annum, or (B) a "eurodollar rate" plus a margin of 2.50% per annum. After the completion of two fiscal quarters after the closing date, the margin under the amended revolving credit line applicable to base rate loans ranges from 1.00% per annum to 1.50% per annum and the margin applicable to eurodollar rate loans ranges from 2.00% per annum to 2.50% per annum, and will be adjusted based upon the Company achieving certain performance targets. The Company is required to pay a commitment fee calculated at the rate of 0.50% per annum on the average daily unused portion of the amended revolving credit line, payable quarterly in arrears.

The Company's obligations under the amended senior secured credit facility are guaranteed by Cinemark, Inc., CNMK Holding, Inc. and certain of its subsidiaries and are secured by mortgages on certain fee and leasehold properties and security interests in substantially all of the Company's domestic personal and intangible property, including without limitation, pledges of all of its capital stock, all of the capital stock of CNMK Holding, Inc. and certain of the Company's domestic subsidiaries and 65% of the voting stock of certain of the Company's foreign subsidiaries.

Cinemark Chile Notes Payable

On March 26, 2002, Cinemark Chile S.A. entered into a Debt Acknowledgment, Rescheduling and Joint Guarantee and Co-Debt Agreement with Scotiabank Sud Americano and three local banks. Under this agreement, Cinemark Chile S.A. borrowed the U.S. dollar equivalent of approximately $10,600 in Chilean pesos (adjusted for inflation pursuant to the Unidades de Fomento). Cinemark Chile S.A. was required to make 24 equal quarterly installments of principal plus accrued and unpaid interest, commencing March 27, 2002. On September 29, 2004, Cinemark Chile S.A. refinanced the outstanding debt under an amended debt agreement with two of the original local banks, Corpbanca and Banco Security. The amended debt agreement requires 24 equal quarterly installments of principal plus accrued and unpaid interest, which commenced on December 31, 2004. The agreement requires Cinemark Chile S.A. to maintain certain financial ratios and contains other restrictive covenants typical for agreements of this type such as a limitation on dividends.

(In thousands, except share and per share data)

Funds borrowed under this agreement bear interest at the 90 day TAB Banking rate as published by the Association of Banks and Financial Institutions Act plus 1.5%. At December 31, 2005, US$6,587 was outstanding under this agreement.

As of December 31, 2005, the Company was in full compliance with all agreements governing its outstanding debt.

The Company's long-term debt at December 31, 2005 matures as follows:

2006	$ 6,871
2007	5,557
2008	4,277
2009	4,108
2010	185,034
Thereafter	849,248
Total	$ 1,055,095

The estimated fair value of the Company's long-term debt at December 31, 2005 was approximately $1,061,265. This amount does not include prepayment penalties that would be incurred upon the early extinguishment of certain debt issues.

Debt issue costs of $27,330, net of accumulated amortization of $5,218, related to the senior discount notes, senior subordinated notes, the amended senior secured credit facility and other debt agreements, are included in deferred charges and other assets — net, on the consolidated balance sheets at December 31, 2005.

The Company recorded a net loss on early retirement of debt of $3,309 during the nine months ended December 31, 2004, which included (i) a loss of $4,366 related to unamortized bond premiums, tender offer repurchase costs, including premiums paid, and other fees associated with the repurchase and subsequent retirement of $105,000 aggregate principal amount of outstanding 8$^{1}/_{2}$% senior subordinated notes; and (ii) a gain of $1,057 related to unamortized bond premiums, unamortized debt issue costs, tender offer repurchase costs, including premiums paid, and other fees associated with the redemption of the $17,750 aggregate principal amount of the Company's 9% senior subordinated notes.

12. FOREIGN CURRENCY TRANSLATION

The accumulated other comprehensive loss account in stockholders' equity of $11,384 and $4,745 at December 31, 2004 and December 31, 2005, respectively, primarily relates to the cumulative foreign currency adjustments from translating the financial statements of Cinemark Argentina, S.A., Cinemark Brasil S.A., Cinemark de Mexico, S.A. de C.V. and Cinemark Chile S.A. into U.S. dollars.

In 2005 and 2004, all foreign countries where the Company has operations, including Argentina, Brazil, Mexico and Chile were deemed non-highly inflationary. Thus, any fluctuation in the currency results in a cumulative foreign currency translation adjustment to the accumulated other comprehensive loss account recorded as an increase in, or reduction of, stockholders' equity.

On December 31, 2005, the exchange rate for the Brazilian real was 2.34 reais to the U.S. dollar (the exchange rate was 2.65 reais to the U.S. dollar at December 31, 2004). As a result, the effect of translating the December 31, 2005 Brazilian financial statements into U.S. dollars is reflected as a cumulative foreign currency translation adjustment to the accumulated other comprehensive loss account as an increase in stockholders' equity of $4,596. At December 31, 2005, the total assets of the Company's Brazilian subsidiaries were U.S. $142,752.

(In thousands, except share and per share data)

On December 31, 2005, the exchange rate for the Mexican peso was 10.71 pesos to the U.S. dollar (the exchange rate was 11.22 pesos to the U.S. dollar at December 31, 2004). As a result, the effect of translating the December 31, 2005 Mexican financial statements into U.S. dollars is reflected as a cumulative foreign currency translation adjustment to the accumulated other comprehensive loss account as an increase in stockholders' equity of $2,204. At December 31, 2005, the total assets of the Company's Mexican subsidiaries were U.S. $169,276.

On December 31, 2005, the exchange rate for the Argentine peso was 3.03 pesos to the U.S. dollar (the exchange rate was 2.97 pesos to the U.S. dollar at December 31, 2004). As a result, the effect of translating the December 31, 2005 Argentine financial statements into U.S. dollars is reflected as a cumulative foreign currency translation adjustment to the accumulated other comprehensive loss account as a reduction of stockholders' equity of $242. At December 31, 2005, the total assets of the Company's Argentine subsidiaries were U.S. $24,079.

On December 31, 2005, the exchange rate for the Chilean peso was 514.21 pesos to the U.S. dollar (the exchange rate was 559.83 pesos to the U.S. dollar at December 31, 2004). As a result, the effect of translating the December 31, 2005 Chilean financial statements into U.S. dollars is reflected as a cumulative foreign currency translation adjustment to the accumulated other comprehensive loss account as an increase in stockholders' equity of $234. At December 31, 2005, the total assets of the Company's Chilean subsidiaries were U.S. $27,267.

During the nine months ended December 31, 2004, the Company sold its United Kingdom theatres, which resulted in a reduction of stockholders' equity upon the realization of $1,076 of cumulative foreign currency translation adjustments previously recorded in the accumulated other comprehensive loss account.

13. INVESTMENTS IN AND ADVANCES TO AFFILIATES

The Company had the following investments in and advances to affiliates at December 31:

	2004	2005
Investment in National CineMedia LLC — 21% interest	$ —	$ 7,329
Cinemark Theatres Alberta, Inc. — investment, at equity — 50% interest	602	612
Fandango, Inc. — investment, at cost — 1% interest	171	171
Cinemark — Core Pacific, Ltd. (Taiwan) — investment, at cost — 14% interest	1,383	1,383
Other	1,662	1,698
Total	$ 3,818	$ 11,193

During the year ended December 31, 2005, Cinemark Media, Inc., a wholly-owned subsidiary of the Company, purchased a 20.7% interest in National CineMedia LLC for approximately $7,329. See Note 5 to the consolidated financial statements for further discussion of the investment.

CINEMARK HOLDINGS, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)
(In thousands, except share and per share data)

14. MINORITY INTERESTS IN SUBSIDIARIES

Minority ownership interests in subsidiaries of the Company are as follows at December 31:

	2004	2005
Cinemark Partners II — 49.2% interest	$ 8,494	$ 8,554
Cinemark Equity Holdings Corp. (Central America) — 49.9% interest	3,227	2,577
Cinemark Colombia, S.A. — 49.0% interest	2,056	2,333
Greeley Ltd. — 49.0% interest	1,586	1,491
Cinemark del Ecuador, S.A. — 40.0% interest	827	932
Cinemark de Mexico, S.A. de C.V. — 0.6% interest	204	272
Others	303	263
Total	$ 16,697	$ 16,422

15. CAPITAL STOCK

Common Stock — Common stockholders are entitled to vote on all matters submitted to a vote of the Company's stockholders. Subject to the rights of holders of any then outstanding shares of the Company's preferred stock, the Company's common stockholders are entitled to any dividends that may be declared by the Board of Directors. The shares of the Company's common stock are not subject to any redemption provisions. The Company has no issued and outstanding shares of preferred stocks.

The Company's ability to pay dividends is effectively limited by its status as a holding company and the terms of its subsidiaries' indentures and amended senior secured credit facility, which also significantly restrict the ability of certain of the Company's subsidiaries to pay dividends directly or indirectly to the Company. Furthermore, certain of the Company's foreign subsidiaries currently have a deficit in retained earnings which prevents the Company from declaring and paying dividends from those subsidiaries.

Stock Option Plans — Upon consummation of the MDP Merger on April 2, 2004, all the Company's stock options outstanding prior to the MDP Merger immediately vested and the majority were repurchased and the then existing stock option plans, which included the Employee Stock Option Plan, the Independent Director Stock Options and the Long Term Incentive Plan, were terminated.

On September 30, 2004, the Company's Board of Directors and the majority of its stockholders approved the 2004 Long Term Incentive Plan (the "Plan") under which 3,074,991 shares of common stock are available for issuance to selected employees, directors and consultants of the Company. The Plan provides for restricted share grants, incentive option grants and nonqualified option grants.

On September 30, 2004, the Company granted options to purchase 2,361,590 shares of its common stock under the Plan at an exercise price of $22.58 per option. The exercise price was equal to the fair market value of the Company's common stock on the date of grant. Options to purchase 234,219 shares vested immediately and the remaining options granted in 2004 vest daily over the period ending April 1, 2009. The options expire ten years from the grant date. On January 28, 2005, the Company granted options to purchase 4,075 shares of its common stock under the Plan at an exercise price of $22.58 per option (equal to the market value at the date of grant). The options vest daily over five years and the options expire ten years from the grant date.

(In thousands, except share and per share data)

For each 2004 and 2005 grant, the fair values of the options were estimated on the dates of grant using the Black-Scholes option-pricing model with the following assumptions:

	September 30, 2004 Grant	January 28, 2005 Grant
Expected life	6.5 years	6.5 years
Expected volatility(1)	39%	44%
Risk-free interest rate	3.79%	3.93%
Dividend yield	0%	0%

(1) Expected volatility is based on historical volatility of the common stock price of comparable public companies.

Forfeitures were estimated based on the Company's historical stock option activity.

A summary of Plan activity and related information for the years ended December 31, 2004 and 2005 is as follows:

	2004		2005	
	Shares	Weighted Average Exercise Price	Shares	Weighted Average Exercise Price
Outstanding at January 1	—	$ —	2,361,590	$ 22.58
Granted	2,361,590	$ 22.58	4,075	$ 22.58
Forfeited	—	$ —	—	$ —
Exercised	—	$ —	—	$ —
Outstanding at December 31	2,361,590	$ 22.58	2,365,665	$ 22.58
Options exercisable at December 31	353,211	$ 22.58	827,603	$ 22.58

All options outstanding at December 31, 2005 have a remaining contractual life of approximately 8.75 years.

A participant's options under the Plan are forfeited if the participant's service to the Company or any of its subsidiaries is terminated for cause. At any time before the common stock becomes listed or admitted to unlisted trading privileges on a national securities exchange or designated as a national market system security on an interdealer quotation system by the National Association of Securities Dealers or if sale or bid and other offer quotations are reported for that class of common stock on the NASDAQ National Market, the Company or a designee shall have the right to purchase any shares of common stock acquired on exercise of an option, any restricted shares issued under the Plan and any exercisable options granted under the Plan. The purchase price in such event shall be determined as provided in the Plan.

On August 2, 2006, Cinemark Holdings, Inc. was formed as the Delaware holding company of Cinemark, Inc. Under a share exchange agreement dated August 8, 2006, each outstanding share and option to purchase shares of Cinemark, Inc.'s common stock was exchanged for an equivalent number of shares and options to purchase shares of Cinemark Holdings, Inc. common stock.

CINEMARK HOLDINGS, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)
(In thousands, except share and per share data)

16. SUPPLEMENTAL CASH FLOW INFORMATION

The following is provided as supplemental information to the consolidated statements of cash flows:

	Year Ended December 31, 2003 (Predecessor)	January 1, 2004 to April 1, 2004 (Predecessor)	April 2, 2004 to December 31, 2004 (Successor)	Year Ended December 31, 2005 (Successor)
Cash paid for interest	$ 50,992	$ 23,307	$ 23,379	$ 45,166
Net cash paid for income taxes	$ 17,330	$ 5,070	$ 11,612	$ 2,911
Noncash activities:				
Change in construction lease obligations related to construction of theatres	$ —	$ —	$ 6,463	$ (4,312)
Changes in accounts payable and accrued expenses for the acquisition of theatre properties and equipment	$ 3,218	$ 1,609	$ (2,758)	$ 8,945

17. INCOME TAXES

Income (loss) from continuing operations before income taxes consisted of the following:

	Year Ended December 31, 2003 (Predecessor)	January 1, 2004 to April 1, 2004 (Predecessor)	April 2, 2004 to December 31, 2004 (Successor)	Year Ended December 31, 2005 (Successor)
Income (loss) from continuing operations before income taxes:				
U.S.	$ 65,348	$ (26,030)	$ 3,312	$ (21,925)
Foreign	7,082	13,259	7,139	5,925
Total	$ 72,430	$ (12,771)	$ 10,451	$ 16,000
Current:				
Federal	$ 16,280	$ (5,668)	$ 8,397	$ 17,653
Foreign	5,885	443	3,565	2,115
State	1,013	(537)	997	1,972
Total current expense	23,178	(5,762)	12,959	21,740
Deferred:				
Federal	2,898	1,791	1,142	(9,778)
Foreign	(1,053)	—	4,830	24
State	18	268	(638)	(2,578)
Total deferred expense	1,863	2,059	5,334	(12,332)
Income tax expense	$ 25,041	$ (3,703)	$ 18,293	$ 9,408

CINEMARK HOLDINGS, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)
(In thousands, except share and per share data)

A reconciliation between income tax expense and taxes computed by applying the applicable statutory federal income tax rate to income from continuing operations before income taxes follows:

	Year Ended December 31, 2003 (Predecessor)	January 1, 2004 to April 1, 2004 (Predecessor)	April 2, 2004 to December 31, 2004 (Successor)	Year Ended December 31, 2005 (Successor)
Computed normal tax expense	$ 25,351	$ (4,470)	$ 3,658	$ (5,600)
Goodwill	(20)	(11)	11,587	14,310
Foreign inflation adjustments	11	(25)	(75)	(3,405)
State and local income taxes, net of federal income tax benefit	666	(175)	348	1,030
Foreign losses not benefited and other changes in valuation allowance	221	(800)	(1,450)	(1,518)
Foreign tax rate differential	883	(29)	(88)	(33)
Section 965 dividends	—			1,537
Other — net	(2,071)	1,807	4,313	3,087
Income tax expense	$ 25,041	$ (3,703)	$ 18,293	$ 9,408

The tax effects of significant temporary differences and tax loss and tax credit carryforwards comprising the net long-term deferred income tax liability at December 31, 2004 and 2005 consisted of the following:

	2004	2005
Deferred liabilities:		
Theatre properties and equipment	$ 42,758	$ 36,432
Deferred intercompany sale	2,985	2,961
Intangible Asset — Contracts	16,115	13,084
Intangible Asset — Tradenames	65,169	63,627
Intangible Asset — Net favorable leases	9,957	7,988
Total	136,984	124,092
Deferred assets:		
Deferred lease expenses	2,198	3,014
Theatre properties and equipment	4,012	6,772
Deferred gain on sale leasebacks	830	208
Bonds	4,583	3,435
Debt Issue	4,033	2,439
Tax loss carryforward	14,501	13,549
AMT and other credit carryforwards	1,147	2,159
Other expenses, not currently deductible for tax purposes	(1,421)	(2,701)
Total	29,883	28,875
Net long-term deferred income tax liability before valuation allowance	107,101	95,217
Valuation allowance	7,383	6,935
Net long-term deferred income tax liability	$ 114,484	$ 102,152
Net deferred tax liability — Foreign	$ 8,011	$ 8,035
Net deferred tax liability — U.S.	106,473	94,117
Total of all deferrals	$ 114,484	$ 102,152

(In thousands, except share and per share data)

Table of Contents

The Company's valuation allowance decreased from $7,383 at December 31, 2004 to $6,935 at December 31, 2005. This change was primarily due to a decrease in the deferred tax asset in Brazil, which remains fully reserved.

The Company's foreign tax credit carryforwards begin expiring in 2008. The foreign net operating losses began expiring in 2002; however, some losses may be carried forward indefinitely. The Company's state net operating loss carryforward will expire in 2006 through 2024. The amount of the state net operating loss carryforward that will expire in 2006 is $550.

On October 22, 2004, the American Jobs Creation Act was signed into law. The Act provides, among other things, a special one-time deduction for certain foreign earnings that are repatriated to and reinvested in the United States. During 2005, the Company repatriated approximately $36,000 of unremitted earnings from certain of its non-U.S. subsidiaries under the provisions of the Act. As a result, the Company recorded income tax expense and a related income tax liability, net of foreign tax benefits, of $1,537 during 2005.

Management continues to reinvest the undistributed earnings of its foreign subsidiaries. Accordingly, deferred U.S. federal and state income taxes are not provided on the undistributed earnings of these foreign subsidiaries. As of December 31, 2005, the cumulative amount of undistributed earnings of these foreign subsidiaries on which the Company has not recognized income taxes was approximately $56,000.

The Company is routinely under audit in various jurisdictions and is currently under examination in the United States by the IRS and in Mexico by Hacienda. The Company believes that it is adequately reserved for the probable outcome of these examinations.

18. COMMITMENTS AND CONTINGENCIES

Leases — The Company conducts a significant part of its theatre operations in leased properties under noncancelable operating leases with terms generally ranging from 10 to 25 years. In addition to the minimum annual lease payments, some of the leases provide for contingent rentals based on operating results of the theatre and most require the payment of taxes, insurance and other costs applicable to the property. The Company can renew, at its option, a substantial portion of the leases at defined or then market rental rates for various periods. Some leases also provide for escalating rent payments throughout the lease term. A liability for deferred lease expenses of $6,432 and $9,569 at December 31, 2004 and 2005, respectively, has been provided to account for lease expenses on a straight-line basis, where lease payments are not made on such basis. Rent expense was as follows:

	Year Ended December 31, 2003 (Predecessor)	January 1, 2004 to April 1, 2004 (Predecessor)	April 2, 2004 to December 31, 2004 (Successor)	Year Ended December 31, 2005 (Successor)
Fixed rent expense	$ 100,562	$ 26,230	$ 78,724	$ 110,995
Contingent rent expense	18,955	4,685	19,105	27,482
Facility lease expense	119,517	30,915	97,829	138,477
Corporate office rent expense	1,401	350	1,056	1,432
Total rent expense	$ 120,918	$ 31,265	$ 98,885	$ 139,909

The Company deferred total gains of $5,961 from three sale leaseback transactions that occurred during 1998 and 1999 and is recognizing them evenly over the lives of the leases (ranging from 10 to 20 years). As of December 31, 2005, the remaining aggregate amount of deferred gains to be amortized is $556.

CINEMARK HOLDINGS, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)
(In thousands, except share and per share data)

Future minimum lease payments under noncancelable operating leases (including leases under the aforementioned sale leaseback transactions) with initial or remaining terms in excess of one year at December 31, 2005 are due as follows:

		Operating Leases
2006	$	121,353
2007		127,263
2008		125,287
2009		122,030
2010		115,937
Thereafter		925,537
Total	$	1,537,407

Employment Agreements — On March 12, 2004, the Company entered into new employment agreements with certain executives which became effective upon the consummation of the MDP Merger on April 2, 2004. In addition, in connection with the MDP Merger, the Company paid a one-time special bonus in the amount of $2,400 to Lee Roy Mitchell and in the amount of $50 to each of Alan Stock, Tim Warner and Robert Copple. Set forth below is a summary of the Company's employment agreements.

Lee Roy Mitchell

The Company entered into an employment agreement with Lee Roy Mitchell pursuant to which Mr. Mitchell serves as the Company's Chief Executive Officer. The employment agreement became effective upon the consummation of the MDP Merger. The initial term of the employment agreement is three years, subject to an automatic extension for a one-year period, unless the employment agreement is terminated. Mr. Mitchell received a base salary of $742 during 2005, which is subject to annual review for increase (but not decrease) each year by the Company's Board of Directors or committee or delegate thereof. In addition, Mr. Mitchell is eligible to receive an annual cash incentive bonus upon the Company meeting certain performance targets established by the board or the compensation committee for the fiscal year. Mr. Mitchell is also entitled to additional fringe benefits including life insurance benefits of not less than $5,000, disability benefits of not less than 66% of base salary, a luxury automobile and a membership at a country club. The employment agreement provides for severance payments upon termination of employment, the amount and nature of which depends upon the reason for the termination of employment. If Mr. Mitchell resigns for good reason or is terminated by Cinemark, Inc. without cause (as defined in the agreement), Mr. Mitchell will receive: accrued compensation (which includes base salary and a pro rata bonus) through the date of termination; any previously vested stock options and accrued benefits, such as retirement benefits, in accordance with the terms of the plan or agreement pursuant to which such options or benefits were granted; his annual base salary as in effect at the time of termination for a period of twelve months following such termination; and an amount equal to the most recent annual bonus he received prior to the date of termination. Mr. Mitchell's equity-based or performance-based awards will become fully vested and exercisable upon such termination or resignation. Mr. Mitchell may choose to continue to participate in the Company's benefit plans and insurance programs on the same terms as other actively employed senior executives for a one-year period. Furthermore, so long as Mr. Mitchell remains Chief Executive Officer, he will possess approval rights over certain significant transactions that may be pursued by the Company.

In the event Mr. Mitchell's employment is terminated due to his death or disability, Mr. Mitchell or his estate will receive: accrued compensation (which includes base salary and a pro rata bonus) through the date of termination; any previously vested stock options and accrued benefits, such as retirement benefits, in accordance with the terms of the plan or agreement pursuant to which such options or benefits were granted; his annual base salary as in effect at the time of termination for a period of six months following such termination; a lump sum payment equal to an additional six months of base salary payable six months after the date of termination; and any benefits payable to Mr. Mitchell and or his beneficiaries in accordance with the terms of any applicable benefit plan.

In the event Mr. Mitchell's employment is terminated by the Company for cause or under a voluntary termination (as defined in the agreement), Mr. Mitchell will receive: accrued base salary through the date of termination; and any previously vested rights under a stock option or similar incentive compensation plan in accordance with the terms of such plan.

Mr. Mitchell will also be entitled, for a period of five years, to tax preparation assistance upon termination of his employment for any reason other than for cause or under a voluntary termination. The employment agreement contains various covenants, including covenants related to confidentiality, non-competition (other than certain permitted activities as defined therein) and non-solicitation.

Tandy Mitchell, Alan Stock, Robert Copple, Timothy Warner, Robert Carmony, John Lundin and Michael Cavalier

The Company entered into executive employment agreements with each of Tandy Mitchell, Alan Stock, Robert Copple, Timothy Warner, Robert Carmony, John Lundin and Michael Cavalier pursuant to which Mrs. Mitchell and Messrs. Stock, Copple, Warner, Carmony, Lundin and Cavalier serve, respectively, as the Company's Executive Vice President, President and Chief Operating Officer, Senior Vice President and Chief Financial Officer, Senior Vice President, Senior Vice President of Operations, Vice President of Film Licensing and Senior Vice President — General Counsel. The employment agreements became effective upon the consummation of the MDP Merger. The initial term of each employment agreement is three years, subject to automatic extensions for a one-year period at the end of each year of the term, unless the agreement is terminated. Pursuant to the employment agreements, each of these individuals receives a base salary, which is subject to annual review for increase (but not decrease) each year by the Company's Board of Directors or committee or delegate thereof. In addition, each of these executives is eligible to receive an annual cash incentive bonus upon the Company's meeting certain performance targets established by the Company's Board of Directors or the compensation committee for the fiscal year.

The Company's Board of Directors has adopted a stock option plan and granted each executive stock options to acquire such number of shares as set forth in that executive's employment agreement. The executive's stock options vest and become exercisable twenty percent per year on a daily pro rata basis and shall be fully vested and exercisable five years after the date of the grant, as long as the executive remains continuously employed by the Company. Upon consummation of a sale of the Company, the executive's stock options will accelerate and become fully vested.

The employment agreement with each executive provides for severance payments on substantially the same terms as the employment agreement for Mr. Mitchell in that the executive will receive his or her annual base salary in effect at the time of termination for a period commencing on the date of termination and ending on the second anniversary of the effective date (rather than for twelve months); and an amount equal to the most recent annual bonus he or she received prior to the date of termination pro rated for the number of days between such termination and the second anniversary of the effective date (rather than a single annual bonus).

Each executive will also be entitled to office space and support services for a period of not more than three months following the date of any termination except for termination for cause. The employment agreements contain various covenants, including covenants related to confidentiality, non-competition and non-solicitation.

CINEMARK HOLDINGS, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)
(In thousands, except share and per share data)

Retirement Savings Plan — The Company has a 401(k) retirement savings plan for the benefit of all employees and makes contributions as determined annually by the Board of Directors. Contribution payments of $1,105 and $1,382 were made in 2004 (for plan year 2003) and 2005 (for plan year 2004), respectively. A liability of $1,295 has been recorded at December 31, 2005 for contribution payments to be made in 2006 (for plan year 2005).

Letters of Credit and Collateral — The Company had outstanding letters of credit of $69, in connection with property and liability insurance coverage, at December 31, 2004 and 2005.

Litigation and Litigation Settlements — DOJ Litigation - In March 1999, the Department of Justice ("DOJ") filed suit in the U.S. District Court, Northern District of Ohio, Eastern Division, against the Company alleging certain violations of the Americans with Disabilities Act of 1990 (the "ADA") relating to the Company's wheelchair seating arrangements and seeking remedial action. An order granting summary judgment to the Company was issued in November 2001. The Department of Justice appealed the district court's ruling with the Sixth Circuit Court of Appeals. On November 7, 2003, the Sixth Circuit Court of Appeals reversed the summary judgment and sent the case back to the district court for further review without deciding whether wheelchair seating at the Company's theatres comply with the ADA. The Sixth Circuit Court of Appeals also stated that if the district court found that the theatres did not comply with the ADA, any remedial action should be prospective only. The Company and the United States have resolved this lawsuit. A Consent Order was entered by the U.S. District Court for the Northern District of Ohio, Eastern Division, on November 17, 2004. This Consent Order fully and finally resolves the *United States v. Cinemark USA, Inc.* lawsuit, and all claims asserted against the Company in that lawsuit have been dismissed with prejudice. Under the Consent Order, the Company will make modifications to wheelchair seating locations in fourteen stadium-style movie theatres within the Sixth Circuit and elsewhere, and spacing and companion seating modifications at 67 auditoriums at other stadium-styled movie theatres. These modifications must be completed during the five-year period commencing on the date the Consent Order was executed. Upon completion of these modifications, such theatres will comply with all existing and pending ADA wheelchair seating requirements, and no further modifications will be necessary to remaining stadium-style movie theatres in the United States to comply with the wheelchair seating requirements of the ADA. Under the Consent Order, the DOJ approved the seating plans for nine stadium-styled movie theatres under construction. The Company and the DOJ have also created a safe harbor framework for the Company to construct all of its future stadium-style movie theatres. The DOJ has stipulated that all theatres built in compliance with the Consent Order will comply with the wheelchair seating requirements of the ADA. The Company believes that its obligations under the Consent Order are not material in the aggregate to its financial position, results of operations and cash flows.

Mission, Texas Litigation — In July 2001, Sonia Rivera-Garcia and Valley Association for Independent Living filed suit in the 93rd Judicial District Court of Hidalgo County, Texas, seeking remedial action for certain alleged violations of the Human Resources Code, the Texas Architectural Barriers Act, the Texas Accessibility Standards and the Deceptive Trade Practices Act relating to accessibility of movie theatres for patrons using wheelchairs at one theatre in the Mission, Texas market. During the first quarter of 2005, the plaintiff dismissed any claims under the Deceptive Trade Practices Act. A jury in a similar case in Austin, Texas found that the Company did not violate the Human Resources Code, the Texas Architectural Business Act or the Texas Accessibility Standards. The judge in that case dismissed the claim under the Deceptive Trade Practices Act. The Company filed an answer denying the allegations and vigorously defended this suit. In November 2005, the plaintiff dismissed the case with prejudice.

From time to time, the Company is involved in other various legal proceedings arising from the ordinary course of its business operations, such as personal injury claims, employment matters and contractual disputes, most of which are covered by insurance. The Company believes its potential liability with respect to proceedings currently pending is not material, individually or in the aggregate, to the Company's financial position, results of operations and cash flows.

(In thousands, except share and per share data)

19. FINANCIAL INFORMATION ABOUT GEOGRAPHIC AREAS

The Company operates in one business segment as a motion picture exhibitor. The Company has operations in the U.S., Canada, Mexico, Argentina, Brazil, Chile, Ecuador, Peru, Honduras, El Salvador, Nicaragua, Costa Rica, Panama and Colombia, which are reflected in the consolidated financial statements. Below is a breakdown of select financial information by geographic area:

	Year Ended December 31, 2003 (Predecessor)	January 1, 2004 to April 1, 2004 (Predecessor)	April 2, 2004 to December 31, 2004 (Successor)	Year Ended December 31, 2005 (Successor)
Revenues(1)				
U.S. and Canada	$ 743,843	$ 175,563	$ 607,831	$ 757,902
Mexico	70,246	17,801	58,347	74,919
Brazil	74,853	21,775	69,097	112,182
Other foreign countries	63,475	18,889	56,311	77,213
Eliminations	(1,545)	(403)	(969)	(1,619)
Total	$ 950,872	$ 233,625	$ 790,617	$ 1,020,597

	December 31, 2004	December 31, 2005
Theatre properties and equipment, net		
U.S. and Canada	$ 631,706	$ 646,841
Mexico	61,043	55,366
Brazil	51,982	52,371
Other foreign countries	49,992	48,691
Total	$ 794,723	$ 803,269

(1) Revenues for all periods do not include results of the two United Kingdom theatres or the eleven Interstate theatres, which were sold during 2004, as the results of operations for these theatres are included as discontinued operations

CINEMARK HOLDINGS, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)
(In thousands, except share and per share data)

20. OTHER RELATED PARTY TRANSACTIONS

In addition to transactions discussed in other notes to the consolidated financial statements, the following transactions with related companies are included in the Company's consolidated financial statements:

	Year Ended December 31, 2003 (Predecessor)	January 1, 2004 to April 1, 2004 (Predecessor)	April 2, 2004 to December 31, 2004 (Successor)	Year Ended December 31, 2005 (Successor)
Facility lease expense — theatre and equipment leases with shareholder affiliates	$ 288	$ 30	$ 108	$ 152
Management fee revenues for property and theatre management:				
Equity investee	$ 395	$ 40	$ 129	$ 146
Other related parties	$ 32	$ —	$ —	$ 66

The Company leases one theatre from Plitt Plaza Joint Venture ("Plitt Plaza") on a month-to-month basis. Plitt Plaza is indirectly owned by Lee Roy Mitchell. Annual rent is approximately $118 plus certain taxes, maintenance expenses and insurance. The Company recorded $152 of facility expenses payable to Plitt Plaza joint venture during the year ended December 31, 2005.

The Company manages one theatre for Laredo Theatre, Ltd. ("Laredo"). The Company is the sole general partner and owns 75% of the limited partnership interests of Laredo. Lone Star Theatres, Inc. owns the remaining 25% of the limited partnership interests in Laredo and is 100% owned by Mr. David Roberts, Lee Roy Mitchell's son-in-law. Under the agreement, management fees are paid by Laredo to the Company at a rate of 5% of annual theatre revenues up to $50,000 and 3% of annual theatre revenues in excess of $50,000. The Company recorded $201 of management fee revenues and received $675 of distributions from Laredo during the year ended December 31, 2005. All such amounts are included in the Company's consolidated financial statements with the intercompany amounts eliminated in consolidation.

The Company entered into an amended and restated profit participation agreement on March 12, 2004 with its President, Alan Stock, which became effective upon consummation of the MDP Merger and amends a profit participation agreement with Mr. Stock in effect since May 2002. Under the agreement, Mr. Stock receives a profit interest in two theatres once the Company has recovered its capital investment in these theatres plus its borrowing costs. During the year ended December 31, 2005, the Company recorded $633 in profit participation expense payable to Mr. Stock, which is included in general and administrative expense in the Company's consolidated statements of operations. During 2005, the Company paid $670 to Mr. Stock for amounts earned during 2004 and 2005. In the event that Mr. Stock's employment is terminated without cause, profits will be distributed according to a formula set forth in the profit participation agreement.

CINEMARK HOLDINGS, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)
(In thousands, except share and per share data)

21. VALUATION AND QUALIFYING ACCOUNTS

The Company's valuation allowance for deferred tax assets for the year ended December 31, 2003, the period from January 1, 2004 to April 1, 2004, the period from April 2, 2004 to December 31, 2004 and the year ended December 31, 2005 were as follows:

	Valuation Allowance for Deferred Tax Assets
Predecessor balance at December 31, 2002	$ 11,767
Additions	2,876
Deductions	(1,626)
Predecessor balance at December 31, 2003	$ 13,017
Additions	(187)
Deductions	—
Predecessor balance at April 1, 2004	$ 12,830
Additions	(1,282)
Deductions	(4,165)
Successor balance at December 31, 2004	$ 7,383
Additions	2,232
Deductions	(2,680)
Successor balance at December 31, 2005	$ 6,935

22. QUARTERLY FINANCIAL INFORMATION (UNAUDITED)

	2004				
	First Quarter (Predecessor)	Second Quarter (Successor)	Third Quarter (Successor)	Fourth Quarter(2) (Successor)	April 2, 2004 to December 31, 2004 (Successor)
Revenues	$ 233,625	$ 274,616	$ 260,048	$ 255,953	$ 790,617
Operating income	$ 556	$ 45,120	$ 33,162	$ (4,662)	$ 73,620
Net income (loss)	$ (10,633)	$ 14,455	$ 10,277	$ (28,419)	$ (3,687)
Net income (loss) per share:					
Basic	$ (0.26)	$ 0.52	$ 0.37	$ (1.03)	$ (0.13)
Diluted	$ (0.26)	$ 0.52	$ 0.37	$ (1.03)	$ (0.13)

	2005 (Successor)				
	First Quarter	Second Quarter	Third Quarter	Fourth Quarter(2)	Full Year
Revenues	$ 237,681	$ 253,027	$ 256,300	$ 273,589	$ 1,020,597
Operating income	$ 26,277	$ 28,043	$ 24,519	$ (15,338)	$ 63,501
Net income (loss)	$ 4,453	$ 5,865	2,260	$ (37,986)	$ (25,408)
Net income (loss) per share:					
Basic	$ 0.16	$ 0.21	$ 0.08	$ (1.37)	$ (0.91)
Diluted	$ 0.16	$ 0.21	$ 0.08	$ (1.37)	$ (0.91)

(1) During the period from January 1, 2004 to April 1, 2004, the Company recorded $32.0 million of change of control and stock compensation expenses related to the MDP Merger.

(2) During the fourth quarter of 2004 and 2005, the Company recorded goodwill impairment charges of $35.7 million and $45.3 million, respectively.

****

CINEMARK HOLDINGS, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED BALANCE SHEETS
(in thousands, except share data)
(Unaudited)

	September 30, 2006	December 31, 2005
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$ 142,204	$ 182,199
Inventories	4,272	4,546
Accounts receivable	24,579	15,405
Prepaid expenses and other	5,981	4,538
Total current assets	177,036	206,688
THEATRE PROPERTIES AND EQUIPMENT	1,156,112	1,106,900
Less accumulated depreciation and amortization	349,719	303,631
Theatre properties and equipment — net	806,393	803,269
OTHER ASSETS		
Goodwill	552,933	551,537
Intangible assets — net	237,112	246,181
Investments in and advances to affiliates	9,312	11,193
Deferred charges and other assets — net	48,017	45,984
Total other assets	847,374	854,895
TOTAL ASSETS	$ 1,830,803	$ 1,864,852
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Current portion of long-term debt	$ 5,530	$ 6,871
Income tax payable	3,572	13,144
Accounts payable and accrued expenses	109,089	140,052
Total current liabilities	118,191	160,067
LONG-TERM LIABILITIES		
Senior credit agreements	258,311	260,076
Senior subordinated notes	775,085	788,148
Deferred income taxes	94,664	102,152
Deferred lease expenses	13,681	9,569
Deferred gain on sale leasebacks	507	556
Deferred revenues and other long-term liabilities	6,539	8,513
Total long-term liabilities	1,148,787	1,169,014
COMMITMENTS AND CONTINGENCIES	—	—
MINORITY INTERESTS IN SUBSIDIARIES	17,145	16,422
STOCKHOLDERS' EQUITY		
Common stock, $0.001 par value: 40,000,000 shares authorized and 27,896,316 shares issued and outstanding	28	28
Additional paid-in-capital	534,747	532,599
Retained earnings (deficit)	12,637	(8,533)
Accumulated other comprehensive loss	(732)	(4,745)
Total stockholders' equity	546,680	519,349
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 1,830,803	$ 1,864,852

The accompanying notes are an integral part of the unaudited condensed consolidated financial statements.

CINEMARK HOLDINGS, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(In thousands, unaudited)

	Nine months ended September 30, 2006	Nine months ended September 30, 2005
REVENUES		
Admissions	$ 514,183	$ 470,535
Concession	260,223	234,564
Other	54,683	41,909
Total revenues	829,089	747,008
COSTS AND EXPENSES		
Cost of operations (excludes depreciation and amortization):		
Film rentals and advertising	275,005	253,511
Concession supplies	41,863	38,151
Salaries and wages	79,002	75,245
Facility lease expense	113,128	102,439
Utilities and other	100,924	90,884
Total cost of operations	609,922	560,230
General and administrative expenses	45,958	38,008
Depreciation and amortization	61,541	61,005
Amortization of net favorable leases	2,982	3,131
Impairment of long-lived assets	5,199	2,917
Loss on sale of assets and other	5,300	2,879
Total costs and expenses	730,902	668,170
OPERATING INCOME	98,187	78,838
OTHER INCOME (EXPENSE)		
Interest expense	(64,949)	(59,962)
Amortization of debt issue costs	(2,159)	(2,034)
Interest income	5,563	4,206
Foreign currency exchange gain (loss)	94	(698)
Loss on early retirement of debt	(2,501)	(46)
Equity in income (loss) of affiliates	(1,699)	182
Minority interests in income of subsidiaries	(1,790)	(882)
Total other expenses	(67,441)	(59,234)
INCOME BEFORE INCOME TAXES	30,746	19,604
Income taxes	9,576	7,026
NET INCOME	$ 21,170	$ 12,578
EARNINGS PER SHARE		
Basic net earnings per share	$ 0.76	$ 0.45
Diluted net earnings per share	$ 0.74	$ 0.45

The accompanying notes are an integral part of the unaudited condensed consolidated financial statements.

CINEMARK HOLDINGS, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands, unaudited)

	Nine Months Ended September 30, 2006	Nine Months Ended September 30, 2005
OPERATING ACTIVITIES		
Net income	$ 21,170	$ 12,578
Noncash items in net income:		
Depreciation	56,841	53,357
Amortization of intangible and other assets	7,682	10,779
Amortization of foreign advanced rents	816	999
Amortization of debt issue costs	2,159	2,034
Amortization of gain on sale leasebacks	(48)	(46)
Amortization of debt premium	(2,333)	(2,329)
Amortization of deferred revenues	(307)	(358)
Impairment of long-lived assets	5,199	2,917
Stock option compensation expense	2,148	—
Loss on sale of assets and other	5,300	2,879
Write-off unamortized debt issue costs related to early retirement of debt	369	46
Accretion of interest on senior discount notes	30,222	28,583
Deferred lease expenses	4,112	2,358
Deferred income tax expenses	(7,488)	(1,727)
Equity in (income) loss of affiliates	1,800	(182)
Minority interests in income of subsidiaries	1,790	882
Changes in assets and liabilities:		
Inventories	274	128
Accounts receivable	(9,174)	(3,420)
Prepaid expenses and other	(1,443)	(1,127)
Other assets	(8,394)	(15,056)
Advances with affiliates	(189)	(122)
Accounts payable and accrued expenses	(20,993)	(19,588)
Other long-term liabilities	484	529
Income tax receivable/payable	(9,572)	9,956
Net cash provided by operating activities	80,425	84,070
INVESTING ACTIVITIES		
Additions to theatre properties and equipment	(77,902)	(47,676)
Proceeds from sale of theatre properties and equipment	1,236	1,266
Purchase of shares in National CineMedia	—	(7,329)
Return of capital from affiliates	271	284
Net cash used for investing activities	(76,395)	(53,455)
FINANCING ACTIVITIES		
Proceeds from issuance of common stock	—	5,000
Retirement of senior discount notes	(30,331)	(1,302)
Retirement of senior subordinated notes	(10,000)	—
Proceeds from long-term debt	2,273	307
Repayments of long-term debt	(5,009)	(4,831)
Other	(1,226)	(651)
Net cash used for financing activities	(44,293)	(1,477)
Effect of exchange rate changes on cash and cash equivalents	268	4,361
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(39,995)	33,499
CASH AND CASH EQUIVALENTS:		
Beginning of period	182,199	100,248
End of period	$ 142,204	$ 133,747
SUPPLEMENTAL INFORMATION (See Note 11)		

The accompanying notes are an integral part of the unaudited condensed consolidated financial statements.

CINEMARK HOLDINGS, INC. AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)
In thousands, except share and per share data

1. The Company and Basis of Presentation

Cinemark Holdings, Inc. and subsidiaries (the “Company”) are one of the leaders in the motion picture exhibition industry in terms of both revenues and the number of screens in operation, with theatres in the United States (“U.S.”), Canada, Mexico, Argentina, Brazil, Chile, Ecuador, Peru, Honduras, El Salvador, Nicaragua, Costa Rica, Panama and Colombia. The Company also managed additional theatres in the U.S., Canada, Brazil, Colombia and Taiwan during the nine months ended September 30, 2006.

On August 2, 2006, Cinemark Holdings, Inc. was formed as the Delaware holding company of Cinemark, Inc., which is the holding company of Cinemark USA, Inc. Pursuant to a share exchange agreement (the “Cinemark Share Exchange”), each outstanding share and option to purchase shares of Cinemark, Inc.’s common stock was exchanged for an equivalent number of shares and options to purchase shares of Cinemark Holdings, Inc.’s common stock. The Cinemark Share Exchange was completed on October 5, 2006 in connection with the acquisition of Century Theatres, Inc.

The condensed consolidated financial statements have been prepared by the Company, without audit, according to the rules and regulations of the Securities and Exchange Commission. In the opinion of management, these interim financial statements reflect all adjustments necessary to state fairly the financial position and results of operations as of, and for, the periods indicated. Majority-owned subsidiaries that the Company controls are consolidated while those subsidiaries of which the Company owns between 20% and 50% and does not control are accounted for as affiliates under the equity method. Those subsidiaries of which the Company owns less than 20% are accounted for as affiliates under the cost method. The results of these subsidiaries and affiliates are included in the condensed consolidated financial statements effective with their formation or from their dates of acquisition. All intercompany balances and transactions are eliminated in consolidation.

These condensed consolidated financial statements should be read in conjunction with the audited annual consolidated financial statements and the notes thereto for the year ended December 31, 2005. Operating results for the nine months ended September 30, 2006, are not necessarily indicative of the results to be achieved for the full year.

2. New Accounting Pronouncements and Tax Regulations

In July 2006, the Financial Accounting Standards Board (“FASB”) issued FASB Interpretation No. 48, “*Accounting for Uncertainty in Income Taxes*” (FIN 48). FIN 48 clarifies the accounting and reporting for income taxes recognized in accordance with Statement of Financial Accounting Standards (“SFAS”) No. 109, “*Accounting for Income Taxes*.” FIN 48 prescribes a comprehensive model for the financial statement recognition, measurement, presentation and disclosure of uncertain tax positions taken or expected to be taken in income tax returns. The Company is currently evaluating the impact of FIN 48. The Company will adopt FIN 48 in the first quarter of 2007.

In September 2006, the FASB issued SFAS No. 157, “*Fair Value Measurements*.” This statement defines fair value, establishes a framework for using fair value to measure assets and liabilities, and expands disclosures about fair value measurements. The statement applies whenever other statements require or permit assets or liabilities to be measured at fair value. SFAS No. 157 is effective for fiscal years beginning after November 15, 2007. The Company is evaluating the impact of SFAS No. 157 on its condensed consolidated financial statements.

In September 2006, the Securities and Exchange Commission issued Staff Accounting Bulletin (“SAB”) No. 108, “*Considering the Effects of Prior Year Misstatements when Quantifying Misstatements in Current Year Financial Statements*”, which provides interpretive guidance regarding the consideration given to prior year misstatements when determining materiality in current year financial statements. SAB No. 108 is effective for fiscal years ending after November 15, 2006. The Company does not expect the adoption of SAB No. 108 to have a significant impact on the condensed consolidated financial statements.

On May 18, 2006, the State of Texas passed a bill to replace the current franchise tax with a new margin tax to be effective January 1, 2008. The Company estimates the new margin tax will not have a significant impact on its income tax expense or deferred tax assets and liabilities.

3. Investment in National CineMedia

On July 15, 2005, Cinemark Media, Inc., a wholly owned subsidiary of the Company, purchased a 20.7% interest in National CineMedia LLC ("National CineMedia") for approximately $7,329. National CineMedia is a joint venture between Regal Entertainment Group, AMC Entertainment Inc. and the Company. National CineMedia provides marketing, sales and distribution of cinema advertising and promotional products; business communications and training services; and the distribution of digital alternative content. As part of the transaction, the Company and National CineMedia entered into an exhibitor services agreement, pursuant to which National CineMedia provides advertising, promotion and event services to the Company's theatres, and a software license agreement in connection with the licensing of certain software and related rights.

The Company is accounting for its investment in National CineMedia under the equity method of accounting. The Company's investment in National CineMedia is included in investments in and advances to affiliates on the Company's condensed consolidated balance sheets. During the nine months ended September 30, 2006, the Company received a $271 return of its capital investment from National CineMedia and recorded an equity loss of $1,889. As of September 30, 2006, the Company's investment in National CineMedia was approximately $5,169. The Company recorded $18,833 and $0 of other revenue from National CineMedia during the nine months ended September 30, 2006 and September 30, 2005, respectively, related to screen advertising and other ancillary streams of revenue. The Company had a receivable recorded in the amount of $10,048 and $58 due from National CineMedia related to screen advertising and other ancillary streams of revenue as of September 30, 2006 and December 31, 2005, respectively.

Under the terms of its agreement with National CineMedia, the Company installed digital distribution technology in certain of its domestic theatres. During 2005 and 2006, the Company spent approximately $21,000 for digital projectors and related equipment necessary to show various digital media. As of September 30, 2006, the Company had met its obligations for installation of digital distribution technology under the agreement.

As part of the joint venture, the Company, Regal Entertainment Group, AMC Entertainment Inc. and National CineMedia signed a promissory note under which the Company, Regal Entertainment Group and AMC Entertainment Inc. were obligated to make loans to National CineMedia on a revolving basis as needed. The maximum amount that National CineMedia could borrow under the note was $11,000 for which the Company's obligation was approximately $2,300. Amounts borrowed by National CineMedia were due in full upon the earlier of March 31, 2007 or an event of default as defined in the promissory note. During March 2006, National CineMedia secured a $20,000 revolving credit facility with various lenders. The Company is not a party to nor has any obligation under this credit facility. As of September 30, 2006, all amounts due under the promissory note had been repaid in full by National CineMedia and the Company no longer has any obligation to make loans to National CineMedia.

On October 12, 2006, National CineMedia, Inc. ("NCM, Inc."), a newly formed entity that will serve as the sole manager of National CineMedia filed a registration statement for a proposed initial public offering with the Securities and Exchange Commission. NCM, Inc. intends to distribute the net proceeds from the proposed initial public offering to its current owners, Regal Entertainment Group, AMC Entertainment, Inc. and the Company, in connection with modifying payment obligations for network access. There can be no guarantee that NCM, Inc. will complete the proposed initial public offering or that the Company will receive any proceeds.

In thousands, except share and per share data

4. Stock Option Accounting

During September 2004, the Company's Board of Directors approved the 2004 Long Term Incentive Plan (the "Plan") under which 3,074,991 shares of Class A common stock are available for issuance to selected employees, directors and consultants of the Company. The Plan provides for restricted share grants, incentive option grants and nonqualified option grants.

On September 30, 2004, the Company granted options to purchase 2,361,590 shares under the Plan at an exercise price of $22.58 per option (equal to the market value at the date of grant). Options to purchase 234,219 shares vested immediately and the remaining options granted in 2004 vest daily over the period ending April 1, 2009 and expire ten years from the grant date. On January 28, 2005, the Company granted options to purchase 4,075 shares under the Plan at an exercise price of $22.58 per option (equal to the market value at the date of grant). The options granted during January 2005 vest daily over five years and the options expire ten years from the grant date. There were no grants under the Plan during the nine months ended September 30, 2006 nor were there any options exercised.

For each 2004 and 2005 grant, the fair values of the options were estimated on the dates of grant using the Black-Scholes option-pricing model with the following assumptions:

	September 30, 2004 Grant	January 28, 2005 Grant
Expected life	6.5 years	6.5 years
Expected volatility(1)	39%	44%
Risk-free interest rate	3.79%	3.93%
Dividend yield	0%	0%

(1) Expected volatility is based on historical volatility of the common stock price of comparable public companies.

Forfeitures were estimated based on the Company's historical stock option activity.

Below is a summary of activity under the Plan for the nine months ended September 30, 2006:

	Number of Options	Weighted Average Exercise Price
Outstanding at 12/31/05	2,365,665	$ 22.58
Granted	—	$ —
Exercised	—	$ —
Forfeited	(3,075)	$ 22.58
Outstanding at 9/30/06	2,362,590	$ 22.58

All options outstanding at September 30, 2006 have a remaining contractual life of approximately eight years.

In December 2004, the FASB issued SFAS No. 123(R), *"Share-Based Payment"*, which established accounting standards for all transactions in which an entity exchanges its equity instruments for goods and services. SFAS No. 123(R) eliminated the intrinsic value measurement objective in Accounting Principles Board ("APB") Opinion No. 25 and generally requires a Company to measure the cost of employee services received in exchange for an award of equity instruments based on the fair value of the award on the date of the grant. The standard requires grant date fair value to be estimated using either an option-pricing model, which is consistent with the terms of the award, or a market observed price, if such a price exists. Such costs must be recognized over the period during which an employee is required to provide service in exchange for the award (which is usually the vesting period). The standard also requires a Company to estimate the number of instruments that will ultimately be issued, rather than accounting for forfeitures as they occur.

In thousands, except share and per share data

The Company applied SFAS No. 123(R) using the "modified prospective method", under which it recognized compensation cost for all awards granted, modified or settled on or after January 1, 2006 and for the unvested portion of previously granted awards that were outstanding on January 1, 2006. Accordingly, prior periods have not been restated. The Company had approximately 1,538,062 unvested options outstanding on January 1, 2006 and recorded compensation expense of $2,148 and a tax benefit of approximately $753 during the nine months ended September 30, 2006 related to these outstanding options. As of September 30, 2006, the unrecognized compensation cost related to these unvested options was $7,160. The weighted average period over which these remaining compensation costs will be recognized is approximately 2.5 years.

The Company applied APB Opinion No. 25 and related interpretations in accounting for stock option plans prior to the adoption of SFAS No. 123(R). Had compensation costs been determined based on the fair value at the date of grant for awards under the plans, consistent with the method of SFAS No. 123, "*Accounting for Stock-Based Compensation*" and SFAS No. 148, "*Accounting for Stock-Based Compensation Transition and Disclosure*", the Company's net income for the three and nine months ended September 30, 2005 would have been reduced to the pro-forma amounts indicated below:

	Nine months Ended September 30, 2005
Net income as reported	$ 12,578
Compensation expense included in reported net income, net of tax	—
Compensation expense under fair value method, net of tax	(2,223)
Pro-forma net income	$ 10,355
Basic and diluted earnings per share	
As reported	$ 0.45
Pro-forma	$ 0.37

5. Earnings Per Share

Basic earnings per common share is computed by dividing income by the weighted average number of shares of all classes of common stock outstanding during the period. Diluted net income per common share is computed by dividing income by the weighted average number of shares of common stock and potentially dilutive common equivalent shares outstanding determined under the treasury stock method. The following table sets forth the computation of basic and diluted net income per common share:

In thousands, except share and per share data

	Nine months ended September 30, 2006	Nine months ended September 30, 2005
Net income	$ 21,170	$ 12,578
Basic:		
Weighted average common shares outstanding	27,896	27,746
Net income per common share	$ 0.76	$ 0.45
Diluted:		
Weighted average common shares outstanding	27,896	27,746
Common equivalent shares for stock options	743	—
Weighted average common and common equivalent shares outstanding	28,639	27,746
Net income per common and common equivalent share	$ 0.74	$ 0.45

6. Early Retirement of Long-Term Debt

During May 2006, as part of three open market purchases, the Company repurchased $10,000 aggregate principal amount of its 9% senior subordinated notes for approximately $10,977, including accrued and unpaid interest. The transactions were funded by the Company with available cash from operations. As a result of the transactions, the Company recorded a loss on early retirement of debt of $126 during the nine months ended September 30, 2006, which included the write-off of unamortized bond premium, premiums paid and the write-off of unamortized debt issue costs related to the retired senior subordinated notes. As of September 30, 2006, the Company had outstanding $332,250 aggregate principal amount of its 9% senior subordinated notes, which are reflected on the condensed consolidated balance sheet including a premium of $18,966.

During May 2006, as part of four open market purchases, the Company repurchased $39,775 aggregate principal amount at maturity of its 9 3/4% senior discount notes for approximately $31,745. The Company funded these transactions with available cash from its operations. As a result of the transactions, the Company recorded a loss on early retirement of debt of $2,375 during the nine months ended September 30, 2006, which included premiums paid and the write-off of unamortized debt issue costs related to the retired senior discount notes. As of September 30, 2006, the Company has outstanding $535,558 aggregate principal amount at maturity of its 9 3/4% senior discount notes, which are reflected on the condensed consolidated balance sheet at their accreted value of $423,869.

CINEMARK HOLDINGS, INC. AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited) — (Continued)
In thousands, except share and per share data

7. Goodwill and Other Intangible Assets

The Company's goodwill was as follows:

	Balance at December 31, 2005	Write-offs due to theatre closures and other	Foreign Currency Translation Adjustment	Balance at September 30, 2006
United States	$ 401,397	$ (1,497)	$ —	$ 399,900
Brazil	66,383	(63)	344	66,664
Mexico	50,211	—	1,750	51,961
Argentina	6,037	—	185	6,222
Chile	8,151	—	350	8,501
Other international locations	19,358	—	327	19,685
Total	$ 551,537	$ (1,560)	$ 2,956	$ 552,933

CINEMARK HOLDINGS, INC. AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited) — (Continued)
In thousands, except share and per share data

Intangible assets consisted of the following:

	Balance at December 31, 2005	Additions	Foreign Currency Translation Adjustment	Balance at September 30, 2006
Intangible assets with finite lives:				
Capitalized licensing fees:				
Gross carrying amount	$ 5,138	$ —	$ —	$ 5,138
Accumulated amortization	(791)	(242)	—	(1,033)
Net carrying amount	$ 4,347	$ (242)	$ —	$ 4,105
Vendor contracts:				
Gross carrying amount	56,559	—	(290)	56,269
Accumulated amortization	(14,962)	(4,110)	—	(19,072)
Net carrying amount	$ 41,597	$ (4,110)	$ (290)	$ 37,197
Net favorable leases:				
Gross carrying amount	32,677	(908)	(381)	31,388
Accumulated amortization	(7,262)	(2,982)	—	(10,244)
Net carrying amount	$ 25,415	$ (3,890)	$ (381)	$ 21,144
Other intangible assets:				
Gross carrying amount	1,663	—	(26)	1,637
Accumulated amortization	(557)	(228)	—	(785)
Net carrying amount	$ 1,106	$ (228)	$ (26)	$ 852
Total net intangible assets with finite lives	$ 72,465	$ (8,470)	$ (697)	$ 63,298
Intangible assets with indefinite lives:				
Tradename	173,713	—	98	173,811
Other unamortized intangible assets	3	—	—	3
Total intangible assets with indefinite lives	$ 173,716	$ —	$ 98	$ 173,814
Total intangible assets — net	$ 246,181	$ (8,470)	$ (599)	$ 237,112

CINEMARK HOLDINGS, INC. AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited) — (Continued)
In thousands, except share and per share data

Estimated aggregate future amortization expense for intangible assets is as follows:

For the three months ended December 31, 2006	$ 2,238
For the twelve months ended December 31, 2007	7,610
For the twelve months ended December 31, 2008	7,199
For the twelve months ended December 31, 2009	6,518
For the twelve months ended December 31, 2010	5,869
Thereafter	33,864
Total	$ 63,298

8. Impairment of Long-Lived Assets

In accordance with SFAS No. 144, "*Accounting for the Impairment or Disposal of Long-Lived Assets*," the Company reviews long-lived assets for impairment on a quarterly basis or whenever events or changes in circumstances indicate the carrying amount of the assets may not be fully recoverable.

The Company considers actual theatre level cash flows, future years budgeted theatre level cash flows, theatre property and equipment carrying values, goodwill carrying values, amortizing intangible assets carrying values, the age of a recently built theatre, competitive theatres in the marketplace, the sharing of a market with other Company theatres, changes in foreign currency exchange rates, the impact of recent ticket price changes, available lease renewal options and other factors in its assessment of impairment of individual theatre assets. Long-lived assets are evaluated for impairment on an individual theatre basis or a group basis if the group of theatres shares the same marketplace, which the Company believes is the lowest applicable level for which there are identifiable cash flows. The impairment evaluation is based on the estimated undiscounted cash flows from continuing use through the remainder of the theatre's useful life. The remainder of the useful life correlates with the available remaining lease period for leased properties, which includes the probability of renewal periods, and a period of twenty years for fee owned properties. If the estimated undiscounted cash flows are not sufficient to recover a long-lived asset's carrying value, the Company then compares the carrying value of the asset with its estimated fair value. Fair value is determined based on a multiple of cash flows, which was seven times for the most recent evaluation performed during the three month period ended September 30, 2006. When estimated fair value is determined to be lower than the carrying value of the long-lived asset, the asset is written down to its estimated fair value and the impairment loss is recognized in the Company's condensed consolidated statements of income. During the nine months ended September 30, 2006 and 2005, the Company recorded asset impairment charges of $5,199 and $2,917, respectively, to write-down certain theatres to their estimated fair values.

9. Foreign Currency Translation

The accumulated other comprehensive loss account in stockholders' equity of $732 and $4,745 at September 30, 2006 and December 31, 2005, respectively, primarily relates to the cumulative foreign currency adjustments from translating the financial statements of Cinemark Argentina, S.A., Cinemark Brasil S.A., Cinemark de Mexico, S.A. de C.V. and Cinemark Chile S.A. into U.S. dollars.

In 2006 and 2005, all foreign countries where the Company has operations, including Argentina, Brazil, Mexico and Chile were deemed non-highly inflationary. Thus, any fluctuation in the currency results in a cumulative foreign currency translation adjustment to the accumulated other comprehensive loss account recorded as an increase in, or reduction of, stockholders' equity.

In thousands, except share and per share data

On September 30, 2006, the exchange rate for the Brazilian real was 2.17 reais to the U.S. dollar (the exchange rate was 2.34 reais to the U.S. dollar at December 31, 2005). As a result, the effect of translating the September 30, 2006 Brazilian financial statements into U.S. dollars is reflected as a cumulative foreign currency translation adjustment to the accumulated other comprehensive loss account as an increase in stockholders' equity of $4,604. At September 30, 2006, the total assets of the Company's Brazilian subsidiaries were U.S. $154,850.

On September 30, 2006, the exchange rate for the Mexican peso was 11.01 pesos to the U.S. dollar (the exchange rate was 10.71 pesos to the U.S. dollar at December 31, 2005). As a result, the effect of translating the September 30, 2006 Mexican financial statements into U.S. dollars is reflected as a cumulative foreign currency translation adjustment to the accumulated other comprehensive loss account as a reduction in stockholders' equity of $946. At September 30, 2006, the total assets of the Company's Mexican subsidiaries were U.S. $171,020.

On September 30, 2006, the exchange rate for the Argentine peso was 3.11 pesos to the U.S. dollar (the exchange rate was 3.03 pesos to the U.S. dollar at December 31, 2005). As a result, the effect of translating the September 30, 2006 Argentine financial statements into U.S. dollars is reflected as a cumulative foreign currency translation adjustment to the accumulated other comprehensive loss account as a reduction in stockholders' equity of $218. At September 30, 2006, the total assets of the Company's Argentine subsidiaries were U.S. $25,242.

On September 30, 2006, the exchange rate for the Chilean peso was 537.79 pesos to the U.S. dollar (the exchange rate was 514.21 pesos to the U.S. dollar at December 31, 2005). As a result, the effect of translating the September 30, 2006 Chilean financial statements into U.S. dollars is reflected as a cumulative foreign currency translation adjustment to the accumulated other comprehensive loss account as a reduction in stockholders' equity of $139. At September 30, 2006, the total assets of the Company's Chilean subsidiaries were U.S. $32,243.

10. Comprehensive Income

SFAS No. 130, "*Reporting Comprehensive Income*," establishes standards for the reporting and display of comprehensive income and its components in the condensed consolidated financial statements. The Company's comprehensive income was as follows:

	Nine Months Ended September 30,	
	2006	2005
Net income	$ 21,170	$ 12,578
Foreign currency translation adjustment	4,013	(2,369)
Comprehensive income	$ 25,183	$ 10,209

CINEMARK HOLDINGS, INC. AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited) — (Continued)
In thousands, except share and per share data

11. Supplemental Cash Flow Information

The following is provided as supplemental information to the condensed consolidated statements of cash flows:

	Nine months ended September 30, 2006	Nine months ended September 30, 2005
Cash paid for interest	$ 43,132	$ 41,172
Net cash paid (refunds received) for income taxes	$ 26,616	$ (1,228)
Noncash investing and financing activities:		
Change in construction lease obligations related to construction of theatres	$ (2,151)	$ (5,783)
Change in accounts payable and accrued expenses for the acquisition of theatre properties and equipment	$ (7,832)	$ 1,607

12. Financial Information About Geographic Areas

The Company operates in one business segment as a motion picture exhibitor. The Company has operations in the U.S., Canada, Mexico, Argentina, Brazil, Chile, Ecuador, Peru, Honduras, El Salvador, Nicaragua, Costa Rica, Panama and Colombia, which are reflected in the condensed consolidated financial statements. Below is a breakdown of select financial information by geographic area:

Revenues	Nine months ended September 30, 2006	Nine months ended September 30, 2005
U.S. and Canada	$ 607,729	$ 553,631
Brazil	98,950	81,614
Mexico	55,704	54,939
Other foreign countries	68,126	58,028
Eliminations	(1,420)	(1,204)
Total	$ 829,089	$ 747,008

Theatre Properties and Equipment-net	September 30, 2006	December 31, 2005
U.S. and Canada	$ 651,829	$ 646,841
Brazil	53,528	52,371
Mexico	52,448	55,366
Other foreign countries	48,588	48,691
Total	$ 806,393	$ 803,269

13. Related Party Transactions

The Company manages one theatre for Laredo Theatre, Ltd. ("Laredo"). The Company is the sole general partner and owns 75% of the limited partnership interests of Laredo. Lone Star Theatres, Inc. owns the remaining 25% of the limited partnership interests in Laredo and is 100% owned by Mr. David Roberts, Lee Roy Mitchell's son-in-law. Under the agreement, management fees are paid by Laredo to the Company at a rate of 5% of annual theatre revenues up to $50,000 and 3% of annual theatre revenues in excess of $50,000. The Company recorded $165 of management fee revenues and received $300 in dividends from Laredo during the nine months ended September 30, 2006. All such amounts are included in the Company's condensed consolidated financial statements with the intercompany amounts eliminated in consolidation.

The Company leases one theatre from Plitt Plaza Joint Venture ("Plitt Plaza"). Plitt Plaza is indirectly owned by Lee Roy Mitchell. Annual rent is approximately $118 plus certain taxes, maintenance expenses and insurance. The Company recorded $111 of facility lease expense payable to Plitt Plaza joint venture during the nine months ended September 30, 2006.

The Company entered into an amended and restated profit participation agreement on March 12, 2004 with its President, Alan Stock, which became effective on April 2, 2004, and amends a profit participation agreement with Mr. Stock in effect since May 2002. Under the agreement, Mr. Stock receives a profit interest in two theatres once the Company has recovered its capital investment in these theatres plus its borrowing costs. During the nine months ended September 30, 2006, the Company recorded $421 in profit participation expense payable to Mr. Stock, which is included in general and administrative expenses on the Company's condensed consolidated statements of income. As of September 30, 2006, the amount owed to Mr. Stock under this agreement was approximately $154. In the event that Mr. Stock's employment is terminated without cause, profits will be distributed according to a formula set forth in the profit participation agreement.

14. Commitments and Contingencies

From time to time, the Company is involved in other various legal proceedings arising from the ordinary course of its business operations, such as personal injury claims, employment matters and contractual disputes, most of which are covered by insurance. The Company believes its potential liability with respect to proceedings currently pending is not material, individually or in the aggregate, to the Company's financial position, results of operations and cash flows.

15. Subsequent Event

On October 5, 2006, the Company completed its acquisition of Century Theatres, Inc. ("Century"), a national theatre chain headquartered in San Rafael, California with approximately 77 theatres in 12 states, for a purchase price of approximately $681,000 and the assumption of approximately $360,000 of debt of Century. Of the total purchase price, $150,000 consisted of the issuance of shares of the Company's common stock.

In connection with the closing of the transaction on October 5, 2006, the Company entered into a new senior secured credit facility, and used the proceeds of $1,120,000 under the new term loan to fund the cash portion of the purchase price, to pay off approximately $360,000 under Century's existing senior credit facility and to refinance amounts under its existing senior secured credit facility of approximately $253,500. The Company used approximately $53,000 of its existing cash to fund the payment of the remaining portion of the purchase price and related transaction expenses. Additionally, the Company advanced approximately $17,000 of cash to Century to satisfy working capital obligations.

The new senior secured credit facility provides for a seven year term loan of $1,120,000 and a $150,000 revolving credit line that matures in six years unless the Company's 9% senior subordinated notes have not been refinanced by August 1, 2012 with indebtedness that matures no earlier than seven and one-half years after the closing date of the new senior secured credit facility, in which case the maturity date of the revolving credit line becomes August 1, 2012. Under the term loan, principal payments of $2,800 are due each calendar quarter beginning December 31, 2006 through September 30, 2012 and increase to $263,200 each calendar quarter from December 31, 2012 to maturity at October 5, 2013.

The term loan bears interest, at the Company's option, at: (A) the base rate equal to the higher of (i) the prime lending rate as set forth on the British Banking Association Telerate page 5 or (ii) the federal funds effective rate from time to time plus 0.50%, plus a margin that ranges from 0.75% to 1.00% per annum, or

CINEMARK HOLDINGS, INC. AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited) — (Continued)
In thousands, except share and per share data

(B) a "eurodollar rate" plus a margin that ranges from 1.75% to 2.00% per annum, in each case as adjusted pursuant to the Company's corporate credit rating. Borrowings under the $150,000 revolving credit line bear interest, at the Company's option, at: (A) a base rate equal to the higher of (i) the prime lending rate as set forth on the British Banking Association Telerate page 5 and (ii) the federal funds effective rate from time to time plus 0.50%, plus a margin that ranges from 0.50% to 1.00% per annum, or (B) a "eurodollar rate" plus a margin that ranges from 1.50% to 2.00% per annum, in each case as adjusted pursuant to the Company's consolidated net senior secured leverage ratio as defined in the new credit agreement.

The Company's obligations under the new senior secured credit facility are guaranteed by Cinemark Holdings, Inc., Cinemark, Inc., CNMK Holding, Inc., and certain of the Company's subsidiaries and are secured by mortgages on certain fee and leasehold properties and security interests in substantially all of the Company's personal property, including without limitation, pledges of all of the Company's capital stock, all of the capital stock of CNMK Holding, Inc., and certain of the Company's domestic subsidiaries and 65% of the voting stock of certain of the Company's foreign subsidiaries.

Report of Independent Certified Public Accountants

Board of Directors
Century Theatres, Inc. and Subsidiaries

We have audited the accompanying consolidated balance sheets of Century Theatres, Inc. and Subsidiaries (the "Company") as of September 28, 2006 and September 29, 2005, and the related consolidated statements of operations, stockholders' equity (deficit) and cash flows for each of the three years ended September 28, 2006, September 29, 2005, and September 30, 2004. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America as established by the Auditing Standards Board of the American Institute of Certified Public Accountants. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Century Theatres, Inc. and Subsidiaries as of September 28, 2006 and September 29, 2005, and the results of their operations and their cash flows for each of the three years ended September 28, 2006, September 29, 2005, and September 30, 2004 in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note 13, the accompanying consolidated financial statements for the years ended September 28, 2006 and September 29, 2005 have been restated.

/s/ Grant Thornton LLP

San Francisco, California
December 1, 2006 (except for Note 13 as to which the date is January 29, 2007)

CENTURY THEATRES INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
September 28, 2006 and September 29, 2005

	2006	2005 (as restated, see Note 13)
	(In thousands of dollars, except share amounts)	
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$ 7,290	$ 43,518
Other receivables, net of allowance of $25 each in 2006 and 2005	5,841	5,614
Inventories	2,299	1,956
Prepaid expenses	5,564	683
Deferred income tax assets	10,602	4,320
Total current assets	31,596	56,091
Property and equipment, net	426,418	386,777
Deferred financing fees, net	5,071	958
Other assets	7,697	7,063
Total assets	$ 470,782	$ 450,889
LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)		
CURRENT LIABILITIES:		
Current portion of long-term debt	$ 3,600	$ 6,237
Current portion of capital lease obligations	4,002	2,125
Accounts payable	24,760	16,222
Accrued film rentals, net	9,923	16,580
Accrued expenses	29,484	16,544
Deferred revenue	3,070	4,919
Total current liabilities	74,839	62,627
Deferred income tax liabilities	3,071	7,886
Deferred rent	28,604	29,169
Deferred lease incentives	20,677	22,415
Long-term debt, net of current portion	356,400	41,995
Capital lease obligations, net of current portion	112,512	77,414
Other long-term liabilities	444	406
Total liabilities	596,547	241,912
Commitments and contingencies (Note 9)		
STOCKHOLDERS' EQUITY (DEFICIT):		
Common stock, no par value; 50,000,000 shares authorized: 7,829,063 and 10,000,000 shares issued and outstanding in 2006 and 2005	4,112	5,252
Retained earnings (deficit)	(131,367)	203,725
Accumulated other comprehensive income	1,490	—
Total stockholders' equity (deficit)	(125,765)	208,977
Total liabilities and stockholders' equity (deficit)	$ 470,782	$ 450,889

The accompanying notes are an integral part of these consolidated financial statements.

CENTURY THEATRES, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OPERATIONS
Years Ended September 28, 2006, September 29, 2005 and September 30, 2004

	2006 (as restated, see Note 13)	2005 (as restated, see Note 13)	2004
		(In thousands of dollars)	
Revenues			
Admissions	$ 354,961	$ 338,760	$ 351,353
Concessions	146,172	135,625	136,957
Management fee from Syufy Enterprises, L.P.	60	60	60
Other	14,801	14,202	10,447
Total revenues	515,994	488,647	498,817
Expenses			
Film rental	184,837	177,491	181,896
Concessions	21,357	19,750	19,744
Theatre operating expenses	164,485	153,930	153,727
General and administrative expenses	37,849	26,765	32,284
Depreciation and amortization	47,522	49,500	45,930
Total expenses	456,050	427,436	433,581
Income from operations	59,944	61,211	65,236
Interest expense	29,367	13,081	11,713
Other (income)/expense, net	(221)	3,564	(935)
Income before provision for income taxes	30,798	44,566	54,458
Provision for income taxes	12,674	17,310	21,216
Net income	$ 18,124	$ 27,256	$ 33,242

The accompanying notes are an integral part of these consolidated financial statements.

CENTURY THEATRES, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY (DEFICIT)
Years Ended September 28, 2006, September 29, 2005 and September 30, 2004

	Common Stock Shares	Common Stock Amount	Retained Earnings (Deficit)	Accumulated Other Comprehensive Income	Total
	(In thousands of dollars, except share amounts)				
Balance, September 25, 2003	10,000,000	$ 5,252	$ 143,227	$ —	$ 148,479
Net income and comprehensive income	—	—	33,242	—	33,242
Balance, September 30, 2004	10,000,000	5,252	176,469	—	181,721
Net income and comprehensive income (as restated, see Note 13)	—	—	27,256	—	27,256
Balance, September 29, 2005 (as restated, see Note 13)	10,000,000	5,252	203,725	—	208,977
Redemption of common stock	(2,170,937)	(1,140)	(106,539)	—	(107,679)
Dividends paid	—	—	(12,500)	—	(12,500)
Distribution in connection with refinancing (see Note 1)	—	—	(234,177)	—	(234,177)
Comprehensive income:					
Fair value of interest rate swaps (net of tax of $987)	—	—	—	1,490	1,490
Net income (as restated, see Note 13)	—	—	18,124	—	18,124
Comprehensive income (as restated, see Note 13)					19,614
Balance, September 28, 2006	7,829,063	$ 4,112	$ (131,367)	$ 1,490	$ (125,765)

The accompanying notes are an integral part of these consolidated financial statements.

CENTURY THEATRES, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
Years Ended September 28, 2006, September 29, 2005 and September 30, 2004

	2006 (as restated, see Note 13)	2005 (as restated, see Note 13)	2004
	(In thousands of dollars)		
Cash flows from operating activities:			
Net income	$ 18,124	$ 27,256	$ 33,242
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	46,557	49,338	45,712
Loss on disposal of assets	61	4,967	110
Impairment of investment	852	—	—
Deferred income taxes	(12,084)	(2,359)	1,040
Amortization of deferred lease incentives	(1,738)	(1,738)	(1,734)
Amortization of loan fees	1,419	162	218
Changes in assets and liabilities:			
Other receivables	(227)	674	(4,294)
Inventories	(343)	115	(217)
Prepaid expenses	(4,881)	(143)	41
Accounts payable	8,538	(19,664)	9,951
Accrued film rentals, net	(6,657)	2,380	(108)
Accrued expenses	12,940	(1,129)	(8,505)
Deferred revenue	(1,849)	(397)	1,674
Deferred rent	(565)	744	1,803
Other long-term liabilities	38	34	343
Net cash provided by operating activities	60,185	60,240	79,276
Cash flows from investing activities:			
Capital expenditures	(46,190)	(23,427)	(55,853)
Change in other assets, net	305	178	65
Net cash used for investing activities	(45,885)	(23,249)	(55,788)
Cash flows from financing activities:			
Borrowings under line of credit	15,000	—	23,850
Repayment of borrowings under line of credit	(15,000)	—	(23,850)
Payment of loan fees in connection with refinancing	(5,532)	—	—
Redemption of common stock	(107,679)	—	—
Dividends paid	(12,500)	—	—
Distribution in connection with refinancing	(234,177)	—	—
Payments on capital lease obligations	(2,408)	(1,838)	(1,387)
Proceeds from issuance of long-term debt	360,000	—	—
Payments on long-term debt	(48,232)	(13,737)	(6,237)
Net cash used for financing activities	(50,528)	(15,575)	(7,624)
Increase (decrease) in cash and cash equivalents	(36,228)	21,416	15,864
Cash and cash equivalents at beginning of period	43,518	22,102	6,238
Cash and cash equivalents at end of period	$ 7,290	$ 43,518	$ 22,102
Supplemental disclosures of cash flow information			
Cash paid during the year for			
Income taxes, net of refunds	$ 30,200	$ 19,314	$ 25,864
Interest	$ 28,651	$ 12,616	$ 11,583
Increases in property, plant and equipment under capital lease obligations	$ 39,383	$ 5,659	$ 25,705
Stock received from online ticket distributor	$ —	$ 313	$ —

The accompanying notes are an integral part of these consolidated financial statements.

CENTURY THEATRES, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(In thousands of dollars, except share amounts)

NOTE 1 — ORGANIZATION AND SUMMARY OF OPERATIONS

Century Theatres, Inc. (the "Company"), a California corporation, was owned by Syufy Enterprises, L.P. (the "Parent") and its affiliate, Syufy Properties, Inc. at the beginning of the fiscal year. On January 3, 2006, the Company redeemed and retired all of the common stock (2,170,937 shares) of the Company owned by Syufy Properties, Inc. for $107,679 (comprised of a $75,000 note and $32,679 in cash). After a refinancing transaction (discussed below), the Company is now a wholly owned subsidiary of Century Theatres Holdings, LLC, which is wholly owned by Syufy Enterprises, L.P. The Company is primarily engaged in the ownership and operation of movie theatres in the states of Alaska, Arizona, California, Colorado, Illinois, Iowa, Nevada, New Mexico, Oregon, South Dakota, Texas, and Utah.

The Company is comprised of Century Theatres, Inc., the operating company, and three wholly-owned subsidiaries: NBE, Inc., Marin Theatre Management, LLC, and Century Theatres of Canada, ULC. Century Theatres of Canada is a foreign subsidiary incorporated in Nova Scotia, Canada on August 8, 2003.

The Company is subject to a number of risk factors, which could adversely affect future results including, but not limited to, (a) an increase in the costs of film rental from the major film distributors, as well as access to differing qualities of films based on the Company's relationship with the distributors and (b) a general economic downturn resulting in decreased consumer spending on discretionary entertainment.

Refinancing

On March 1, 2006, the Company entered into a $435,000 senior secured credit facility consisting of a $360,000 Term Loan B and a $75,000 revolving credit facility with Morgan Stanley & Co. Inc. (see Notes 6 and 7). To facilitate this financing, the Parent formed Century Theatres Holdings, LLC ("Holdings") as a single-member California limited liability company on February 17, 2006. In addition, Century California Subsidiary, Inc. ("Century California") was created as a wholly owned subsidiary of Holdings for the sole purpose of entering into the credit facility with Morgan Stanley. A portion of the proceeds of the $360,000 Term Loan B was used by Century California to purchase all outstanding shares of Century Theatres, Inc. common stock from the Parent for $234,177. On the day of the financing, Century California was merged into the Company and the Company assumed all outstanding obligations under the credit facility. The purchase of Century Theatres, Inc. shares from the Parent has been treated as a distribution to the Parent. Furthermore, since the purchase transaction took place between entities under common control the transaction has been accounted for on a historical cost basis.

NOTE 2 — SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation

The consolidated financial statements include the accounts of Century Theatres, Inc. and its three wholly-owned subsidiaries. All significant intercompany balances and transactions have been eliminated in the consolidated financial statements.

Use of Estimates

In preparing the financial statements in conformity with accounting principles generally accepted in the United States of America, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the periods presented, as well as the disclosure of contingent assets and liabilities. Actual results could differ from those estimates applied in the preparation of the accompanying consolidated financial statements.

CENTURY THEATRES, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)
(In thousands of dollars, except share amounts)

Fiscal Year-End

The Company uses a 52/53 week fiscal year ending with the last Thursday in September. The fiscal years presented in these consolidated financial statements ended on September 28, 2006, September 29, 2005 and September 30, 2004.

Cash and Cash Equivalents

Cash and cash equivalents include short-term investments with an original maturity of less than 90 days. Included in cash and cash equivalents in the accompanying consolidated balance sheets is restricted cash of $392 at September 28, 2006 and $152 at September 29, 2005.

The Company invests excess cash in deposits with major banks and money market funds with major financial institutions. The Company has not experienced any losses related to these deposits or investments, which may exceed federal insurance limits.

Fair Value of Financial Instruments

The carrying amounts of cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities approximates fair value because of the short-term maturity of those instruments. The fair value of the long-term debt cannot be estimated because there is no readily available market for these securities. At September 28, 2006, the Company holds derivative financial instruments relating to the interest rate hedge of its $360,000 Term Loan B and the fair value of the swap is estimated based upon quoted market prices of comparable agreements (see Note 8).

Other Receivables

Other receivables consist primarily of tenant allowances, various rebates from concession vendors, auditorium rentals and income taxes receivable. The Company generally does not require collateral from its customers. The Company maintains an allowance for doubtful accounts based upon the expected collectibility of its other receivables.

Inventories

Inventories consist of concession and theatre supplies and are stated at the lower of cost or market. The Company values inventory using the weighted average cost method, which approximates FIFO (first-in first-out) cost.

Interest Rate Swaps

Interest rate swaps are used principally in the management of the Company's interest rate exposures and are recorded on the consolidated balance sheet at fair value. If the swap is designated as a cash flow hedge, the effective portions of changes in the fair value of the swap are recorded in other comprehensive income and are recognized in the consolidated statements of operations when the hedged items affect earnings. Ineffective portions of changes in the fair value of cash flow hedges are recognized as a charge or credit to earnings.

CENTURY THEATRES, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)
(In thousands of dollars, except share amounts)

Property and Equipment

Property and equipment are stated at cost less accumulated depreciation and amortization. The Company uses the straight-line method to compute depreciation and amortization over the estimated useful lives of the assets as follows:

Buildings and improvements	20-30 years
Leasehold improvements	Lesser of term of lease or asset life
Land improvements	15 years
Fixtures and equipment	3-7 years

When assets are retired or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts and any resulting gain or loss is recognized in income for the period. The costs of maintenance and repairs are expensed as incurred and are included in theatre operating expenses. Significant renewals and betterments are capitalized.

Capitalized Interest

Financing costs associated with the Company's construction projects are capitalized as part of the cost of the assets constructed. The Company capitalized interest in the amount of $1,087, $327 and $782 for the years ended September 28, 2006, September 29, 2005 and September 30, 2004, respectively.

Deferred Financing Fees

Deferred financing fees include costs associated with the $435,000 senior secured credit facility as described in Notes 6 and 7. These costs amounted to $5,532 and are being amortized over 7 years. For the year ended September 28, 2006 unamortized costs associated with the Company's former private placement notes of $892 were charged to expense upon repayment of the notes (see Note 7).

Rent Expense

Minimum rental expenses are recognized on a straight-line basis over the term of the lease starting when the Company has access to the property. Therefore, the amortization period occasionally includes a construction period prior to the theatre opening. When a lease contains a predetermined fixed escalation of minimum rents, the Company recognizes the related rent expense on a straight-line basis and records the difference between the recognized rental expense and the amounts payable under the lease as deferred rent. The Company also receives tenant allowances, which are treated as deferred lease incentives for operating leases. The deferred lease incentive is amortized over the base term of the lease (including the construction period) as a reduction to rent expense. Renewal periods are included in the lease term only if they are reasonably assured.

Certain leases provide for contingent rents that are not measurable at the inception of the lease because they are based on a percentage of sales that are in excess of a predetermined breakpoint. These amounts are excluded from minimum rent but are included in the determination of total rent expense when it is probable that the expense has been incurred and the amount is reasonably estimable.

Capital Leases

Under Emerging Issues Task Force (EITF) 97-10, *The Effect of Lessee Involvement in Asset Construction*, various forms of lessee involvement during the pre-construction or construction periods of leased property may cause the lessee to be the "accounting owner" of the asset during the construction period. If the lessee is involved with the construction of a built-to-suit real estate project to be leased to the lessee when construction is completed, the transaction may constitute a sale-leaseback within Statement of Financial Accounting Standards ("SFAS") No. 98, *Accounting for Leases*. In addition to the nine leases capitalized under EITF 97-10 as of the year ended September 29, 2005, management determined that three additional leases for the year ended September 28, 2006 should be capitalized and maintained on the Company's books until the theatre opens in accordance with EITF 97-10. None of these twelve leases qualified for sale-leaseback accounting under SFAS No. 98 and were treated as capital leases.

Impairment of Long-Lived Assets

The Company follows SFAS No. 144, *Accounting for the Impairment or Disposal of Long-Lived Assets*, which requires the Company to review long-lived assets and certain identifiable intangibles whenever events or circumstances indicate that the carrying amount of such assets may not be fully recoverable. The Company reviews assets held and used on an individual theatre basis, which is the lowest level of assets for which there are identifiable cash flows. The Company evaluates the recoverability of long-lived assets to be held and used by measuring the carrying amount of the assets against the estimated future net cash flows associated with them. If such assets are considered impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. Assets to be disposed of are reported at the lower of the carrying amount or fair value less costs to sell. The Company recorded impairment charges of $406 and $295 during the years ended September 28, 2006 and September 30, 2004, respectively, included in depreciation and amortization in the consolidated statement of operations and consolidated statement of cash flows. No impairment charge was recorded during the year ended September 29, 2005.

Income Taxes

The Company accounts for income taxes using the liability method so that deferred taxes are determined based on the estimated future tax effects of differences between the financial statement and tax bases of assets and liabilities given the provisions of enacted tax laws and tax rates. Deferred income tax expenses or credits are based on the changes in the financial statement basis versus the tax basis in the Company's assets or liabilities from period to period.

Revenue Recognition and Film Rental Costs

Revenues are recognized when admissions and concession sales are collected at the theatres. For advance ticket sales, revenue is recognized when the purchased film is shown. Film rental costs are accrued based on the applicable box office receipts and the terms of the film licensing agreement. Any amounts paid to the film distributor relating to unsettled film obligations are netted against the film rental accrual.

Other revenues result mainly from rental of the Company's screens and auditoriums, video game sales, and ATM fees.

Deferred Revenue

The Company offers gift certificates for sale in the form of paper gift certificates. Revenue from certificates issued is deferred until the gift certificates are redeemed at the theatre or when it has been determined that, based on the Company's past experience and as allowed by state laws, those gift certificates will not be redeemed. Deferred revenue also results from advanced tickets sales and from rebate programs with certain concession distributors.

Theatre Preopening Costs

Costs of a non-capital nature incurred prior to the opening of a new theatre are expensed as incurred.

CENTURY THEATRES, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)
(In thousands of dollars, except share amounts)

Advertising Costs

Advertising costs are expensed when incurred. Advertising expense totaled $7,279, $6,639 and $6,408 for the years ended September 28, 2006, September 29, 2005 and September 30, 2004, respectively.

Other Assets

Other Assets include intangible assets, long-term prepaid expenses, and an investment in an on-line ticketing distributor. The intangible assets relate to the cost to acquire the rights to lease six theatre locations in November 2001 and are amortized over the remaining term of each lease.

The Company's investment in the online ticketing distributor was deemed to be impaired based on an independent analysis of the fair market value of the ticketing distributor's common stock during 2006. The Company recorded an impairment charge of $852 during the year ended September 28, 2006, included as part of other (income)/expense in the consolidated statements of operations. No impairment charge was recorded during the years ended September 29, 2005 and September 30, 2004 (see Note 4).

Recent Accounting Pronouncements

In March 2005, the Financial Accounting Standards Board ("FASB") issued FASB Interpretation (FIN) No. 47, *Accounting for Conditional Asset Retirement Obligations*, an interpretation of SFAS No. 143, *Asset Retirement Obligations.* SFAS No. 143, as amended by FIN No. 47, applies to all entities that have legal obligations to perform asset retirement activities, including those in which the timing and/or method of settlement are conditional on a future event that may or may not be within the control of the entity. Uncertainty about the timing and/or method of settlement should be factored into the measurement of the liability if sufficient information is available to reasonably estimate the fair value of the asset retirement obligation. Accordingly, an entity should recognize a liability for the fair value of an asset retirement obligation when incurred if the fair value of the liability can be reasonably estimated, even if conditional on a future event. The adoption of FIN No. 47 has not had a material effect on the Company's consolidated financial position or results of operations.

In May 2005, the FASB issued SFAS No. 154, *Accounting Changes and Error Corrections.* This new standard replaces APB Opinion No. 20, *Accounting Changes in Interim Financial Statements*, and SFAS No. 3, *Reporting Accounting Changes in Interim Financial Statement*, and represents another step in the FASB's goal to converge its standards with those issued by the International Accounting Standards Board ("IASB"). Among other changes, SFAS No. 154 requires retrospective application to prior periods' financial statements of a voluntary change in accounting principle unless it is impracticable. SFAS No. 154 also provides that (1) a change in method of depreciating or amortizing a long-lived nonfinancial asset be accounted for as a change in estimate (prospectively) that was effected by a change in accounting principle, and (2) correction of errors in previously issued financial statements should be termed a "restatement." The new standard is effective for accounting changes and correction of errors made in fiscal years beginning after December 15, 2005. The adoption of SFAS No. 154 is not expected to have a material effect on the Company's consolidated financial position or results of operations.

In July 2006, the FASB issued FIN No. 48, *Accounting for Uncertainty in Income Taxes*, which prescribes a recognition threshold and measurement process for recording in the financial statements uncertain tax positions taken or expected to be taken in a tax return. Additionally, FIN No. 48 provides guidance on the recognition, classification, accounting in interim periods and disclosure requirements for uncertain tax positions. The accounting provisions of FIN No. 48 will be effective for the Company beginning September 28, 2007. The Company is in the process of determining the effect, if any, that the adoption of FIN No. 48 will have on its consolidated financial position or results of operations.

CENTURY THEATRES, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)
(In thousands of dollars, except share amounts)

In September 2006, the SEC issued Staff Accounting Bulletin ("SAB") No. 108, *Considering the Effects of Prior Year Misstatements when Quantifying Misstatements in Current Year Financial Statements.* SAB No. 108 provides interpretive guidance on how the effects of the carryover or reversal of prior year misstatements should be considered in quantifying a current year misstatement. The SEC staff believes that registrants should quantify errors using both a balance sheet and income statement approach and evaluate whether either approach results in quantifying a misstatement that, when all relevant quantitative and qualitative factors considered, is material. SAB No. 108 is effective for fiscal years ending on or after November 15, 2006, with early application encouraged. The Company believes that SAB No. 108 will not have a significant impact on its consolidated financial position or results of operations.

In September 2006, the FASB issued SFAS No. 157, *Fair Value Measurements.* This statement defines fair value, establishes a framework for using fair value to measure assets and liabilities, and expands disclosures about fair value measurements. The statement applies whenever other statements require or permit assets or liabilities to be measured at fair value. SFAS No. 157 is effective for fiscal years beginning after November 15, 2007. The Company is currently evaluating the impact of SFAS No. 157 on its consolidated financial position and results of operations.

Financial Statement Presentation

Certain prior year balances, including prepaid expenses and interest income, have been reclassified in order to conform to the current year presentation.

NOTE 3 — PROPERTY AND EQUIPMENT

Property and equipment at September 28, 2006 and September 29, 2005, consist of:

	2006	2005
Land and land improvements	$ 24,446	$ 24,473
Buildings and improvements	317,682	301,548
Property under capital leases	124,249	84,866
Fixtures and equipment	238,193	211,957
Construction in progress	17,597	13,886
Subtotal	722,167	636,730
Less accumulated depreciation and amortization	(295,749)	(249,953)
	$ 426,418	$ 386,777

Depreciation and amortization expense for property and equipment, including property under capital leases, totaled $45,871, $48,652 and $45,705 for the years ended September 28, 2006, September 29, 2005 and September 30, 2004, respectively. Accumulated depreciation and amortization includes $5,799 and $4,954 for property under capital leases as of September 28, 2006 and September 29, 2005, respectively.

NOTE 4 — INVESTMENTS

The Company has an ownership interest in an on-line ticketing distributor (the "Distributor"). The Company also contracts with the Distributor for on-line ticketing services. The Company earned $1,063, $894 and $944 for service fee revenues in the years ended September 28, 2006, September 29, 2005 and September 30, 2004, respectively. During the year ended September 29, 2005, the company renewed its ticketing agreement with the Distributor and received an additional 179,112 shares of the Distributor's common stock in consideration. At September 28, 2006 and September 29, 2005, the Company owned 6.00%

CENTURY THEATRES, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)
(In thousands of dollars, except share amounts)

and 6.92%, respectively, of the Distributor's outstanding common stock. The investment balance of $1,971 and $2,823 at September 28, 2006 and September 29, 2005, respectively, is being accounted for at cost, as the Company does not have the ability to exercise significant influence over the Distributor, and is included in other assets in the accompanying consolidated balance sheets. The Company reviews the carrying value of its investment for impairment whenever events or circumstances indicate that the carrying amount may not be fully recoverable. During the fiscal year ended September 28, 2006, the Company recorded an impairment charge of $852 relating to its investment in the Distributor. No impairment charge was recorded during the years ended September 29, 2005 and September 30, 2004 (see Note 2).

NOTE 5 — INCOME TAXES (AS RESTATED, SEE NOTE 13)

Provision for Income Taxes

The Company's income tax provision consists of the following for the years ended September 28, 2006, September 29, 2005 and September 30, 2004:

	2006	2005	2004
Current	$ 24,758	$ 19,823	$ 20,059
Deferred	(12,084)	(2,513)	1,157
Total	$ 12,674	$ 17,310	$ 21,216

A reconciliation between the expected income tax provisions at the federal statutory rate of 35% and the reported income tax provision for the years ended September 28, 2006, September 29, 2005 and September 30, 2004, is as follows:

	2006	2005	2004
Federal statutory rate	35.0%	35.0%	35.0%
State income taxes, net of federal tax benefit	4.7	4.8	4.3
Non-deductible expenses	0.2	0.2	0.1
Tax settlements	0.9	—	—
Other, net	0.3	(1.2)	(0.4)
	41.1%	38.8%	39.0%

At September 28, 2006, the Company had income taxes receivable of $3,062, which is included in other receivables on the accompanying consolidated balance sheet. At September 29, 2005, the Company had income taxes payable of $2,384, which is included in accrued expenses on the accompanying consolidated balance sheet.

CENTURY THEATRES, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)
(In thousands of dollars, except share amounts)

NOTE 5 — INCOME TAXES (AS RESTATED, SEE NOTE 13) (Continued)

Deferred Income Taxes

The significant components of the deferred income tax assets (liabilities) as of September 28, 2006, and September 29, 2005, are as follows:

	2006	2005
Deferred tax assets:		
Accrued employee and legal expenses	$ 7,908	$ 1,214
Deferred revenue	1,668	2,066
Deferred lease expense	17,055	15,911
Deferred benefit of state income taxes	1,311	1,215
State credit carryforwards	42	116
Other	64	—
Total deferred tax assets	28,048	20,522
Deferred tax liabilities:		
Fixed assets	(19,530)	(23,903)
Other, net	(987)	(185)
Total deferred tax liabilities	(20,517)	(24,088)
Net deferred income tax assets/(liabilities)	$ 7,531	$ (3,566)

NOTE 6 — LINE OF CREDIT

In March 2006, the Company entered into a $75,000 revolving credit facility with Morgan Stanley & Co., Incorporated. Interest is payable on any outstanding balance at Morgan Stanley's base rate (prime rate) or, at the company's option, the LIBOR rate plus 1.25% to 2.50% (the "Margin"). A Commitment Fee is paid quarterly on unused balances at 0.375% to 0.50%. The margin and Commitment Fees are tied to various leverage ratios, as defined, achieved by the Company. At September 28, 2006 the Company's borrowing rate was at LIBOR plus 2.50% and the Commitment Fee was 0.50%. The revolving credit facility expires March 1, 2012. Prior to March 2006, the Company maintained an uncollateralized $75,000 credit facility with Bank of America, N.A. which was extinguished as part of the March 2006 refinancing. As of September 28, 2006 and September 29, 2005 there were no outstanding borrowings under the credit facilities. The Company must comply with various financial and non-financial covenants under the line of credit agreement. At September 28, 2006, the Company was in compliance with these covenants.

NOTE 7 — LONG-TERM DEBT

In March 2006, the Company borrowed a $360,000 Term Loan B as part of the $435,000 senior secured credit facility with Morgan Stanley. The proceeds from the Term Loan B were used to pay the outstanding principal balance of $41,995 associated with the Company's former private placement notes plus a $3,151 penalty associated with the early retirement of the notes. The fees paid for early extinguishment of debt are reflected in interest expense. In addition, the Company used Term Loan B proceeds to pay in full the $75,000 note to Syufy Properties for the stock redemption and retirement which occurred on January 3, 2006 and

CENTURY THEATRES, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)
(In thousands of dollars, except share amounts)

$234,177 to purchase the shares of Century Theatres, Inc. as part of the refinancing transaction (see Note 1). As of September 28, 2006, the term and amount of the Term Loan B payable of $360,000 is as follows:

Term Loan B, interest due quarterly at LIBOR plus 1.875% (7.275% at September 28, 2006) with annual principal payments of $3,600 beginning in March 2007 and the remaining principal and interest due in March 2013	$ 360,000
Less current portion	(3,600)
	$ 356,400

The Term Loan B is collateralized by all assets of the Company.

The Term Loan B agreement requires that the Company maintain certain financial and non-financial covenants. At September 28, 2006, the Company was in compliance with these covenants.

At September 28, 2006, the contractual maturities of long-term debt are as follows:

Fiscal Year Ending	
2007	$ 3,600
2008	3,600
2009	3,600
2010	3,600
2011	3,600
Thereafter	342,000
	$ 360,000

NOTE 8 — INTEREST RATE SWAPS

On January 17, 2006, the Company entered into seven distinct interest rate swap agreements to provide for interest rate protection on the $360 million variable rate Term Loan B with an effective date of March 1, 2006. The maturity terms on the swap agreements range from one to seven years each. Per the terms of the interest rate swap agreements, the Company pays interest at fixed rates ranging from 4.773% to 4.836% and receives interest at a variable rate based on the 3-month LIBOR. The interest rate swaps settle any accrued interest for cash on the last day of each calendar quarter until expiration. On these dates, the differences paid or received on the interest rate swaps are included in interest expense. No premium or discount was incurred upon the Company entering into the interest rate swaps because the pay and receive rates on the interest rate swaps represented prevailing rates for each party at the time the interest rate swaps were entered into.

The interest rate swaps qualify for cash flow hedge accounting treatment in accordance with SFAS No. 133, “Accounting for Derivative Instruments and Hedging Activities.” Based on the guidelines established in SFAS No. 133, the Company has effectively hedged its exposure to variability in the future cash flows attributable to the 3-month LIBOR on the $360,000 credit facility. The change in the fair values of the interest rate swaps is recorded on the Company’s consolidated balance sheet as an asset or liability with the effective portion of the interest rate swaps’ gains or losses reported as a component of other comprehensive income (OCI). As interest expense is accrued on the debt obligation, amounts in accumulated OCI related to the designated hedging instruments will be reclassified into earnings to obtain a net cost on the debt obligation equal to the effective yield of the fixed rate of each swap. The fair value of the Company’s interest rate swaps is based on dealer quotes, and represents an estimate of the amounts the Company would receive or pay to terminate the agreements taking into consideration various factors, including current interest rates. As of September 28, 2006, the aggregate fair value of the interest rate swaps was determined to be approximately

(In thousands of dollars, except share amounts)

$2,476, which has been recorded as a component of other non-current assets with a corresponding amount of $1,490, net of tax, recorded to accumulated other comprehensive income. The interest rate swaps exhibited no ineffectiveness for the year ended September 28, 2006.

NOTE 9 — COMMITMENTS AND CONTINGENCIES

Minimum Lease Commitments

At September 28, 2006, total minimum annual rentals under long-term leases are as follows:

	Operating Leases		Capital Leases
	To Parent and Affiliates	Total	Total
2007	$ 31,236	$ 41,516	$ 16,561
2008	30,896	44,663	16,609
2009	30,120	43,901	16,631
2010	30,216	43,513	16,794
2011	31,606	44,640	15,777
Thereafter	154,398	297,435	158,524
	$ 308,472	$ 515,668	240,896
Amount representing interest			(124,382)
Present value of net minimum obligation			$ 116,514

Several of the Company's operating lease agreements provide for scheduled rent increases during the lease term. Rent expense is recognized on a straight-line basis over the term of these lease agreements including the construction period, if applicable. Theatre rent expense under these long-term operating leases aggregated $44,191, $42,038 and $45,432 which included $7,415, $6,394 and $8,148, respectively, of rent expense computed based on specified theatre revenues for the years ended September 28, 2006, September 29, 2005 and September 30, 2004, respectively.

Workers' Compensation Reserve

The Company carries a $250 deductible limit per occurrence for workers' compensation claims. An estimate of uninsured loss has been used to record a liability. The reserve for estimated claim costs amounted to $852 and $502 at September 28, 2006 and September 29, 2005, respectively, and is included in accrued liabilities on the accompanying consolidated balance sheet.

Theatre Construction

At September 28, 2006, the Company was committed to three contracts for the construction of three new theatres. At September 28, 2006, total amounts committed on these signed general contractor contracts, including both incurred and open commitments, were approximately $32,478 of which $3,907 had been incurred as of September 28, 2006.

CENTURY THEATRES, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)
(In thousands of dollars, except share amounts)

Contingencies

The Company is subject to various lawsuits, claims and inquiries from time to time that are incidental to its business. In the opinion of management, the resolution of these pending or threatened litigation matters will not materially affect the consolidated financial position, results of operations or liquidity of the Company. The Company operates in numerous jurisdictions with varying state and local tax and unclaimed property laws and regulations. While the Company believes that it is in compliance with such laws and regulations, state and local authorities could potentially assert claims against the Company relating to these laws and regulations. The Company believes that these claims, if any, would not materially affect the Company's consolidated financial position and results of operations. However, there can be no assurances as to the ultimate resolution of any such potential claims.

NOTE 10 — EMPLOYEE BENEFIT PLANS

Defined Contribution Plan

The Company provides a 401(k) plan for its employees. Employees are eligible to participate in the 401(k) plan upon completing three months of service and attaining age 21. An employee has completed three months of service when they have worked three consecutive months. Employees may withhold from 1% to 15% of their compensation plus up to 100% of any bonus paid, not to exceed predetermined IRS limits.

The Company makes matching contributions equal to 100% of the election deferrals, not to exceed 4% of the participant's compensation. The Company's contributions to the 401(k) plan were $603, $604 and $523 for the years ended September 28, 2006, September 29, 2005 and September 30, 2004, respectively.

Long-Term Incentive Plan

The Company provides a long-term incentive plan ("LTIP") for the benefit of its senior management. The LTIP rewards participants based on corporate performance over three-year rolling periods and is aimed at retaining key executives. The LTIP payment for year ending September 28, 2006 was eliminated and replaced with a change of control payment of $15,429 which was activated as a result of the subsequent sale of the Company on October 5, 2006 (see Note 12). During the years ended September 29, 2005 and September 30, 2004 an award of $2,782 and $7,487, respectively, was earned and payable to the LTIP participants. Both the change of control payment related to the year ended September 28, 2006 and the LTIP payment related to the years ended September 29, 2005 and September 30, 2004 are included in accrued expenses on the accompanying consolidated balance sheets.

Annual Incentive Plans

The Company maintains various annual incentive plans for its employees based on individual, department, theatre and Company performance. For the years ended September 28, 2006, September 29, 2005 and September 30, 2004 such incentive compensation expense recognized was $2,217, $2,265 and $2,442, respectively.

CENTURY THEATRES, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)
(In thousands of dollars, except share amounts)

NOTE 11 — RELATED PARTY TRANSACTIONS

The Company leased 32 of its theatres and facilities from the Parent and Affiliates as of September 28, 2006 and 33 as of September 29, 2005 and September 30, 2004. The leases are all classified as operating leases and carry terms ranging from 2 to 20 years. Total rent expense incurred under those related-party leases was $31,079, $29,661 and $30,660 for the years ended September 28, 2006, September 29, 2005 and September 30, 2004, respectively. Future minimum rental commitments from these related-party leases are summarized in Note 9.

The Company has a service agreement with the Parent whereby the Company provides limited operational and administrative assistance to the Parent for the operations of the Parent's drive-in theatres and public merchandise markets. Under this services agreement, the Parent paid $60 to the Company for each of the years ended September 28, 2006, September 29, 2005 and September 30, 2004. The Company also pays certain operating costs on behalf of the Parent. As of September 28, 2006 and September 29, 2005, the balance of the receivable from the Parent was $73 and $887, respectively, and is included in other receivables on the accompanying consolidated balance sheets.

NOTE 12 — SUBSEQUENT EVENTS

On August 7, 2006, the Company entered into a stock purchase agreement with Cinemark Holdings, Inc. and Cinemark USA, Inc., a national theatre chain headquartered in Plano, Texas. The sale was completed on October 5, 2006 for a purchase price of approximately $681,000 (comprised of $531,000 in cash and $150,000 in shares of common stock of Cinemark Holdings, Inc.) and the assumption of approximately $360,000 of debt of the Company.

At the sale date the Company's Term Loan B was paid off and the interest rate swaps were terminated.

NOTE 13 — RESTATEMENT OF FINANCIAL STATEMENTS

During the fiscal year ended September 29, 2005, the Company incorrectly recorded adjustments related to the settlement associated with certain prior year tax returns as a permanent difference, thereby recording the tax settlements as an increase to the Company's provision for income taxes in its consolidated statement of operations, rather than appropriately recording the adjustments as a temporary difference with a corresponding adjustment to deferred income taxes in the Company's consolidated balance sheet. The amount of the error, which approximated $1.6 million, was identified and corrected in the subsequent fiscal year and was previously reported by the Company as a reduction to its provision for income taxes during the fiscal year ended September 28, 2006. The Company's consolidated financial statements, including Note 5 to the Company's consolidated financial statements, have been restated from the amounts previously reported to reflect the impact of the error in the proper period. Since the error was corrected during the fiscal year ended September 28, 2006, the balance sheet as of September 28, 2006 did not need to be restated.

CENTURY THEATRES, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)
(In thousands of dollars, except share amounts)

The following is a summary of the effects of this adjustment on the Company's consolidated financial statements:

	2006		2005	
	As previously reported	As restated	As previously reported	As restated
Consolidated Balance Sheets				
Deferred income tax liabilities			$ 9,486	$ 7,886
Total liabilities			243,512	241,912
Retained earnings (deficit)			202,125	203,725
Total stockholders' equity (deficit)			207,377	208,977
Consolidated Statements of Operations				
Provision for income taxes	$ 11,074	$ 12,674	18,910	17,310
Net income	19,724	18,124	25,656	27,256
Consolidated Statements of Stockholders' Equity (Deficit)				
Net income	19,724	18,124	25,656	27,256
Comprehensive income	21,214	19,614	25,656	27,256
Consolidated Statements of Cash Flows				
Net income	19,724	18,124	25,656	27,256
Deferred income taxes	(13,684)	(12,084)	(759)	(2,359)

Table of Contents

Shares

Cinemark Holdings, Inc.

Common Stock

PROSPECTUS
, 2007

Lehman Brothers

PART II

INFORMATION NOT REQUIRED IN PROSPECTUS

Item 13. ***Other Expenses of Issuance and Distribution.***

The following table sets forth the costs and expenses, other than underwriting discounts and commissions, to be paid by the registrant in connection with the issuance and distribution of the shares of common stock being registered hereby. All amounts are estimates except for the Securities and Exchange Commission registration fee, the NASD filing fee and the New York Stock Exchange listing fee. The selling stockholders will not pay any of the registration expenses.

Securities and Exchange Commission registration fee	$	42,800
NASD filing fee	$	*
New York Stock Exchange listing fee	$	*
Accounting fees and expenses	$	*
Legal fees and expenses	$	*
Printing and engraving expenses	$	*
Blue Sky qualification fees and expenses	$	*
Transfer agent and registrar fees and expenses	$	*
Miscellaneous expenses	$	*
Total	$	*

* To be completed by amendment.

Item 14. ***Indemnification of Directors and Officers***

Section 145 of the Delaware General Corporation Law permits a corporation, under specified circumstances, to indemnify its directors, officers, employees or agents against expenses (including attorneys' fees), judgments, fines and amounts paid in settlements actually and reasonably incurred by them in connection with any action, suit or proceeding brought by third parties by reason of the fact that they were or are directors, officers, employees or agents of the corporation, if such directors, officers, employees or agents acted in good faith and in a manner they reasonably believed to be in or not opposed to the best interests of the corporation and, with respect to any criminal action or proceeding, had no reason to believe their conduct was unlawful. In a derivative action, i.e., one by or in the right of the corporation, indemnification may be made only for expenses actually and reasonably incurred by directors, officers, employees or agents in connection with the defense or settlement of an action or suit, and only with respect to a matter as to which they shall have acted in good faith and in a manner they reasonably believed to be in or not opposed to the best interests of the corporation, except that no indemnification shall be made if such person shall have been adjudged liable to the corporation, unless and only to the extent that the court in which the action or suit was brought shall determine upon application that the defendant directors, officers, employees or agents are fairly and reasonably entitled to indemnity for such expenses despite such adjudication of liability.

Section 102(b)(7) of the Delaware General Corporation Law provides that a certificate of incorporation may contain a provision eliminating or limiting the personal liability of a director to the corporation or its stockholders for monetary damages for breach of fiduciary duty as a director provided that such provision shall not eliminate or limit the liability of a director:

(1) for any breach of the director's duty of loyalty to the corporation or its stockholders;

(2) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law;

(3) under Section 174 (relating to liability for unauthorized acquisitions or redemptions of, or dividends on, capital stock) of the Delaware General Corporation Law; or

(4) for any transaction from which the director derived an improper personal benefit.

Section 145 of the Delaware General Corporation Law further authorizes a corporation to purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the corporation against any liability asserted against and incurred by such person in any such capacity, or arising out of such person's status as such.

Our amended and restated certificate of incorporation provides that we may, to the fullest extent permitted by Delaware General Corporation Law, indemnify all persons whom it may indemnify under Delaware law and contains provisions permitted by Section 102(b)(7) of the Delaware General Corporation Law.

Our certificate of incorporation and bylaws provide that:

- we are required to indemnify our directors and officers, subject to very limited exceptions;
- we may indemnify other employees and agents, subject to very limited exceptions;
- we are required to advance expenses, as incurred, to our directors and officers in connection with a legal proceeding, subject to very limited exceptions; and
- we may advance expenses, as incurred, to our employees and agents in connection with a legal proceeding.

The indemnification provisions in our amended and restated certificate of incorporation and bylaws may be sufficiently broad to permit indemnification of our directors and officers for liabilities arising under the Securities Act.

Reference is also made to the form of Underwriting Agreement, filed with this registration statement as Exhibit 1, which provides for the indemnification of our officers, directors and controlling persons against certain liabilities.

We have obtained an insurance policy providing for indemnification of officers and directors and certain other persons against liabilities and expenses incurred by any of them in certain stated proceedings and conditions.

Item 15. ***Recent Sales of Unregistered Securities***

On August 2, 2006, Cinemark Holdings, Inc. was formed as a Delaware holding company of Cinemark, Inc. On October 5, 2006, our subsidiary, Cinemark USA, Inc., completed the acquisition of Century Theatres, Inc., for a purchase price of approximately $681 million and the assumption of debt of Century. A portion of the purchase price consisted of the issuance of shares of our common stock. The closing of the acquisition of Century involved the following transactions:

- Pursuant to a stock purchase agreement, dated August 7, 2006, and amendment thereto, dated October 4, 2006, among Cinemark USA, Inc., Century and Syufy Enterprise, LP, Cinemark USA, Inc. acquired approximately 77% of the issued and outstanding capital stock of Century.
- Pursuant to a contribution and exchange agreement, dated August 7, 2006, by and between Syufy, Cinemark, Inc., Century Theatres Holdings, LLC and Cinemark Holdings, Inc., Syufy contributed the remaining shares of capital stock of Century to Cinemark Holdings in exchange for shares of Cinemark Holdings.
- Pursuant to a share exchange agreement, dated August 7, 2006, by and among Cinemark Holdings, Inc. and then current stockholders of Cinemark, Inc., the stockholders, immediately prior to the consummation of the transactions contemplated by the purchase agreement and the contribution and exchange agreement referenced above, exchanged their shares of common stock of Cinemark, Inc. for an equal number of shares of Cinemark Holdings common stock.

In December 2006, we issued shares upon the exercise of options outstanding under our 2006 Long Term Incentive Plan.

The sales and issuances of securities described above were deemed to be exempt from registration under the Securities Act in reliance upon Section 4(2) of the Securities Act or Regulation D or Rule 701 promulgated thereunder.

Item 16. ***Exhibits and Financial Statement Schedules.***

(a) The following exhibits are filed herewith:

Number	Exhibit Title
**1	Form of Underwriting Agreement.
2.1	Stock Contribution and Exchange Agreement, dated as of August 7, 2006, by and between Cinemark Holdings, Inc., Cinemark, Inc., Syufy Enterprises, LP and Century Theatres Holdings, LLC (incorporated by reference to Exhibit 10.2 to Current Report on Form 8-K, File No. 000-47040, filed by Cinemark USA, Inc. with the SEC on August 11, 2006).
2.2	Contribution and Exchange Agreement, dated as of August 7, 2006, by and among Cinemark Holdings, Inc. and Lee Roy Mitchell, The Mitchell Special Trust, Alan W. Stock, Timothy Warner, Robert Copple, Michael Cavalier, Northwestern University, John Madigan, Quadrangle Select Partners LP, Quadrangle Capital Partners A LP, Madison Dearborn Capital Partners IV, L.P., K&E Investment Partners, LLC — 2004-B-DIF, Piola Investments Ltd., Quadrangle (Cinemark) Capital Partners LP and Quadrangle Capital Partners LP (incorporated by reference to Exhibit 10.3 to Current Report on Form 8-K, File No. 000-47040, filed by Cinemark USA, Inc. with the SEC on August 11, 2006).
**3.1	Amended and Restated Certificate of Incorporation of Cinemark Holdings, Inc. filed with the Delaware Secretary of State on , 2007.
**3.2	Amended and Restated Bylaws of Cinemark Holdings, Inc. dated , 2007.
**4.1	Form of common stock certificate.
4.2(a)	Indenture, dated as of March 31, 2004, between Cinemark, Inc. and The Bank of New York Trust Company, N.A. governing the 9$^3/_4$% senior discount notes issued thereunder (incorporated by reference to Exhibit 4.2(a) to Cinemark, Inc.'s Registration Statement on Form S-4, File No. 333-116292, filed June 8, 2004).
4.2(b)	Form of 9$^3/_4$% senior discount notes (contained in the indenture listed as Exhibit 4.2(a) above) (incorporated by reference to Exhibit 4.2(b) to Cinemark, Inc.'s Registration Statement on Form S-4, File No. 333-116292, filed June 8, 2004).
4.3(a)	Indenture, dated as of February 11, 2003, between Cinemark USA, Inc. and The Bank of New York Trust Company of Florida, N.A. governing the 9% senior subordinated notes issued thereunder (incorporated by reference to Exhibit 10.2(b) to Cinemark USA, Inc.'s Annual Report on Form 10-K (File 033-47040) filed March 19, 2003).
4.3(b)	First Supplemental Indenture, dated as of May 7, 2003, between Cinemark USA, Inc., the subsidiary guarantors party thereto and The Bank of New York Trust Company of Florida, N.A. (incorporated by reference from Exhibit 4.2(i) to Cinemark USA, Inc.'s Registration Statement on Form S-4/A (File No. 333-104940) filed May 28, 2003).
4.3(c)	Second Supplemental Indenture dated as of November 11, 2004, between Cinemark USA, Inc., the subsidiary guarantors party thereto and The Bank of New York Trust Company of Florida, N.A. (incorporated by reference to Exhibit 4.2(c) to Cinemark USA, Inc.'s Annual Report on Form 10-K, File No. 033-047040, filed March 28, 2005).
4.3(d)	Third Supplemental Indenture, dated as of October 5, 2006, among Cinemark USA, Inc., the subsidiaries of Cinemark USA, Inc. named therein, and The Bank of New York Trust Company, N.A., as trustee (incorporated by reference to Exhibit 10.7 to Current Report on Form 8-K, File No. 000-47040, filed by Cinemark USA, Inc. with the SEC on October 12, 2006).
4.3(e)	Form of 9% Senior Subordinated Note, Due 2013 (contained in the Indenture listed as Exhibit 4.3(a) above) (incorporated by reference to Exhibit 10.2(b) to Cinemark USA, Inc.'s Annual Report on Form 10-K (File 033-47040) filed March 19, 2003).
*4.4	Stockholders Agreement, dated as of August 7, 2006, effective October 5, 2006, by and among Cinemark Holdings, Inc. and the stockholders party thereto.
*4.5	Registration Agreement, dated as of August 7, 2006, effective October 5, 2006, by and among Cinemark Holdings, Inc. and the stockholders thereto.
**5	Opinion of Akin Gump Strauss Hauer & Feld LLP.

Number	Exhibit Title
10.1(a)	Management Agreement, dated December 10, 1993, between Laredo Theatre, Ltd. and Cinemark USA, Inc. (incorporated by reference to Exhibit 10.14(b) to Cinemark USA, Inc.'s Annual Report on Form 10-K, File No. 033-47040, filed March 31, 1994).
10.1(b)	First Amendment to Management Agreement of Laredo Theatre, Ltd., effective as of December 10, 2003, between CNMK Texas Properties, Ltd. (successor in interest to Cinemark USA, Inc.) and Laredo Theatre Ltd. (incorporated by reference to Exhibit 10.1(d) to Cinemark, Inc.'s Registration Statement on Form S-4, File No. 333-116292, filed June 8, 2004).
10.2	Amended and Restated Agreement to Participate in Profits and Losses, dated as of March 12, 2004, between Cinemark USA, Inc. and Alan W. Stock (incorporated by reference to Exhibit 10.2 to Cinemark USA, Inc.'s Quarterly Report on Form 10-Q, File No. 033-47040, filed May 14, 2004).
10.3	License Agreement, dated December 10, 1993, between Laredo Joint Venture and Cinemark USA, Inc. (incorporated by reference to Exhibit 10.14(c) to Cinemark USA, Inc.'s Annual Report on Form 10-K, File No. 033-47040, filed March 31, 1994).
10.4(a)	Tax Sharing Agreement, between Cinemark USA, Inc. and Cinemark International, L.L.C. (f/k/a Cinemark II, Inc.), dated as of June 10, 1992 (incorporated by reference to Exhibit 10.22 to Cinemark USA, Inc.'s Annual Report on Form 10-K, File No. 033-47040, filed March 31, 1993).
10.4(b)	Tax Sharing Agreement, dated as of July 28, 1993, between Cinemark USA, Inc. and Cinemark Mexico (USA) (incorporated by reference to Exhibit 10.10 to Cinemark Mexico (USA)'s Registration Statement on Form S-4, File No. 033-72114, filed on November 24, 1993).
+10.5(a)	Employment Agreement, dated as of March 12, 2004, between Cinemark, Inc. and Lee Roy Mitchell (incorporated by reference to Exhibit 10.14(a) to Cinemark USA, Inc.'s Quarterly Report on Form 10-Q, File No. 033-47040, filed May 14, 2004).
+10.5(b)	First Amendment to Employment Agreement, effective as of December 12, 2006, by and between Cinemark, Inc. and Lee Roy Mitchell (incorporated by reference to Exhibit 10.1 to Cinemark, Inc.'s Current Report on Form 8-K, File No. 001-31372, filed December 18, 2006).
+10.5(c)	Employment Agreement, dated as of March 12, 2004, between Cinemark, Inc. and Alan Stock (incorporated by reference to Exhibit 10.14(b) to Cinemark USA, Inc.'s Quarterly Report on Form 10-Q, File No. 033-47040, filed May 14, 2004).
+10.5(d)	First Amendment to Employment Agreement, effective as of December 12, 2006, by and between Cinemark, Inc. and Alan W. Stock (incorporated by reference to Exhibit 10.2 to Cinemark, Inc.'s Current Report on Form 8-K, File No. 001-31372, filed December 18, 2006).
+10.5(e)	Employment Agreement, dated as of March 12, 2004, between Cinemark, Inc. and Tim Warner (incorporated by reference to Exhibit 10.14(c) to Cinemark USA, Inc.'s Quarterly Report on Form 10-Q, File No. 033-47040, filed May 14, 2004).
+10.5(f)	First Amendment to Employment Agreement, effective as of December 12, 2006, by and between Cinemark, Inc. and Timothy Warner (incorporated by reference to Exhibit 10.3 to Cinemark, Inc.'s Current Report on Form 8-K, File No. 001-31372, filed December 18, 2006).
+10.5(g)	Employment Agreement, dated as of March 12, 2004, between Cinemark, Inc. and Robert Copple (incorporated by reference to Exhibit 10.14(d) to Cinemark USA, Inc.'s Quarterly Report on Form 10-Q, File No. 033-47040, filed May 14, 2004).
+10.5(h)	Employment Agreement, dated as of March 12, 2004, between Cinemark, Inc. and Rob Carmony (incorporated by reference to Exhibit 10.14(e) to Cinemark USA, Inc.'s Quarterly Report on Form 10-Q, File No. 033-47040, filed May 14, 2004).
+10.5(i)	Employment Agreement, dated as of March 12, 2004, between Cinemark, Inc. and Tandy Mitchell (incorporated by reference to Exhibit 10.14(f) to Cinemark USA, Inc.'s Quarterly Report on Form 10-Q, File No. 033-47040, filed May 14, 2004).
*+10.5(j)	First Amendment to Employment Agreement, dated January 25, 2007, between Cinemark, Inc. and Robert Copple.

Number	Exhibit Title
10.6(a)	Credit Agreement, dated as of October 5, 2006, among Cinemark Holdings, Inc., Cinemark, Inc., CNMK Holding, Inc., Cinemark USA, Inc., the several banks and other financial institutions or entities from time to time parties to the Agreement, Lehman Brothers Inc. and Morgan Stanley Senior Funding, Inc., as joint lead arrangers and joint bookrunners, Morgan Stanley Senior Funding, Inc., as syndication agent, BNP Paribas and General Electric Capital Corporation as co-documentation agents, and Lehman Commercial Paper Inc., as administrative agent (incorporated by reference to Exhibit 10.5 to Current Report on Form 8-K, File No. 000-47040, filed by Cinemark USA, Inc. with the SEC on October 12, 2006).
10.6(b)	Guarantee and Collateral Agreement, dated as of October 5, 2006, among Cinemark Holdings, Inc., Cinemark, Inc., CNMK Holding, Inc., Cinemark USA, Inc. and each subsidiary guarantor party thereto (incorporated by reference to Exhibit 10.6 to Current Report on Form 8-K, File No. 000-47040, filed by Cinemark USA, Inc. with the SEC on October 12, 2006).
*+10.7(a)	Cinemark Holdings, Inc. 2006 Long Term Incentive Plan, dated December 22, 2006.
*+10.7(b)	Form of Stock Option Agreement.
*21	Subsidiaries of the registrant.
*23.1	Consent of Deloitte & Touche LLP.
*23.2	Consent of Grant Thornton LLP.
**23.3	Consent of Akin Gump Strauss Hauer & Feld LLP (included in the opinion filed as Exhibit 5 to this Registration Statement).
*24	Power of Attorney (included on the signature page of this Registration Statement).

* Filed herewith.

** To be filed by amendment.

\+ Management contract, compensatory plan or arrangement.

(b) The following financial statement schedule is filed herewith:

None.

Item 17. ***Undertakings.***

The undersigned registrant hereby undertakes to provide to the underwriter at the closing specified in the underwriting agreement certificates in such denominations and registered in such names as required by the underwriter to permit prompt delivery to each purchaser.

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 Securities 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 hereunder, 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 Securities Act and will be governed by the final adjudication of such issue.

The undersigned registrant hereby undertakes that:

(1) For purposes of determining any liability under the Securities Act of 1933, the information omitted from the form of prospectus filed as part of this registration statement in reliance upon Rule 430A and contained in a form of prospectus filed by the registrant pursuant to Rule 424(b)(1) or (4) or 497(h)

under the Securities Act shall be deemed to be part of this registration statement as of the time it was declared effective.

(2) For the purpose of determining any liability under the Securities Act, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial *bona fide* offering thereof.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the registrant has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Plano, State of Texas, on February 1, 2007.

CINEMARK HOLDINGS, INC.

By: /s/ ALAN W. STOCK
Alan W. Stock, *Chief Executive Officer*

POWER OF ATTORNEY

Each person whose signature appears below hereby constitutes and appoints Alan W. Stock, Robert Copple and Michael Cavalier, and each of them, with the power to act without the other, his true and lawful attorneys-in-fact and agents with full power of substitution and resubstitution, for him in his name, place and stead, in any and all capacities, to sign on his behalf individually and in each capacity stated below any or all amendments or post-effective amendments to this registration statement, and to file the same, with all exhibits and other documents relating thereto, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, or either of them, or their substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, this registration statement has been signed by the following persons in the capacities and on the dates indicated.

Name	Title	Date
/s/ LEE ROY MITCHELL Lee Roy Mitchell	Chairman of the Board of Directors and Director	February 1, 2007
/s/ ALAN W. STOCK Alan W. Stock	Chief Executive Officer (principal executive officer)	February 1, 2007
/s/ ROBERT COPPLE Robert Copple	Executive Vice President; Treasurer and Chief Financial Officer (principal financial and accounting officer)	February 1, 2007
/s/ BENJAMIN D. CHERESKIN Benjamin D. Chereskin	Director	February 1, 2007
/s/ JAMES N. PERRY, JR. James N. Perry, Jr.	Director	February 1, 2007
/s/ ROBIN P. SELATI Robin P. Selati	Director	February 1, 2007

Name	Title	Date
/s/ VAHE A. DOMBALAGIAN Vahe A. Dombalagian	Director	February 1, 2007
/s/ PETER R. EZERSKY Peter R. Ezersky	Director	February 1, 2007
/s/ ENRIQUE F. SENIOR Enrique F. Senior	Director	February 1, 2007
/s/ RAYMOND W. SYUFY Raymond W. Syufy	Director	February 1, 2007
/s/ JOSEPH E. SYUFY Joseph E. Syufy	Director	February 1, 2007

EXHIBIT INDEX

Number	Exhibit Title
**1	Form of Underwriting Agreement.
2.1	Stock Contribution and Exchange Agreement, dated as of August 7, 2006, by and between Cinemark Holdings, Inc., Cinemark, Inc., Syufy Enterprises, LP and Century Theatres Holdings, LLC (incorporated by reference to Exhibit 10.2 to Current Report on Form 8-K, File No. 000-47040, filed by Cinemark USA, Inc. with the SEC on August 11, 2006).
2.2	Contribution and Exchange Agreement, dated as of August 7, 2006, by and among Cinemark Holdings, Inc. and Lee Roy Mitchell, The Mitchell Special Trust, Alan W. Stock, Timothy Warner, Robert Copple, Michael Cavalier, Northwestern University, John Madigan, Quadrangle Select Partners LP, Quadrangle Capital Partners A LP, Madison Dearborn Capital Partners IV, L.P., K&E Investment Partners, LLC — 2004-B-DIF, Piola Investments Ltd., Quadrangle (Cinemark) Capital Partners LP and Quadrangle Capital Partners LP (incorporated by reference to Exhibit 10.3 to Current Report on Form 8-K, File No. 000-47040, filed by Cinemark USA, Inc. with the SEC on August 11, 2006).
**3.1	Amended and Restated Certificate of Incorporation of Cinemark Holdings, Inc. filed with the Delaware Secretary of State on , 2007.
**3.2	Amended and Restated Bylaws of Cinemark Holdings, Inc. dated , 2007.
**4.1	Form of common stock certificate.
4.2(a)	Indenture, dated as of March 31, 2004, between Cinemark, Inc. and The Bank of New York Trust Company, N.A. governing the 9$^{3}/_{4}$% senior discount notes issued thereunder (incorporated by reference to Exhibit 4.2(a) to Cinemark, Inc.'s Registration Statement on Form S-4, File No. 333-116292, filed June 8, 2004).
4.2(b)	Form of 9$^{3}/_{4}$% senior discount notes (contained in the indenture listed as Exhibit 4.2(a) above) (incorporated by reference to Exhibit 4.2(b) to Cinemark, Inc.'s Registration Statement on Form S-4, File No. 333-116292, filed June 8, 2004).
4.3(a)	Indenture, dated as of February 11, 2003, between Cinemark USA, Inc. and The Bank of New York Trust Company of Florida, N.A. governing the 9% senior subordinated notes issued thereunder (incorporated by reference to Exhibit 10.2(b) to Cinemark USA, Inc.'s Annual Report on Form 10-K (File 033-47040) filed March 19, 2003).
4.3(b)	First Supplemental Indenture, dated as of May 7, 2003, between Cinemark USA, Inc., the subsidiary guarantors party thereto and The Bank of New York Trust Company of Florida, N.A. (incorporated by reference from Exhibit 4.2(i) to Cinemark USA, Inc.'s Registration Statement on Form S-4/A (File No. 333-104940) filed May 28, 2003).
4.3(c)	Second Supplemental Indenture dated as of November 11, 2004, between Cinemark USA, Inc., the subsidiary guarantors party thereto and The Bank of New York Trust Company of Florida, N.A. (incorporated by reference to Exhibit 4.2(c) to Cinemark USA, Inc.'s Annual Report on Form 10-K, File No. 033-047040, filed March 28, 2005).
4.3(d)	Third Supplemental Indenture, dated as of October 5, 2006, among Cinemark USA, Inc., the subsidiaries of Cinemark USA, Inc. named therein, and The Bank of New York Trust Company, N.A., as trustee (incorporated by reference to Exhibit 10.7 to Current Report on Form 8-K, File No. 000-47040, filed by Cinemark USA, Inc. with the SEC on October 12, 2006).
4.3(e)	Form of 9% Senior Subordinated Note, Due 2013 (contained in the Indenture listed as Exhibit 4.3(a) above) (incorporated by reference to Exhibit 10.2(b) to Cinemark USA, Inc.'s Annual Report on Form 10-K (File 033-47040) filed March 19, 2003).
*4.4	Stockholders Agreement, dated as of August 7, 2006, effective October 5, 2006, by and among Cinemark Holdings, Inc. and the stockholders party thereto.
*4.5	Registration Agreement, dated as of August 7, 2006, effective October 5, 2006, by and among Cinemark Holdings, Inc. and the stockholders thereto.
**5	Opinion of Akin Gump Strauss Hauer & Feld LLP.
10.1(a)	Management Agreement, dated December 10, 1993, between Laredo Theatre, Ltd. and Cinemark USA, Inc. (incorporated by reference to Exhibit 10.14(b) to Cinemark USA, Inc.'s Annual Report on Form 10-K, File No. 033-47040, filed March 31, 1994).

Number	Exhibit Title
10.1(b)	First Amendment to Management Agreement of Laredo Theatre, Ltd., effective as of December 10, 2003, between CNMK Texas Properties, Ltd. (successor in interest to Cinemark USA, Inc.) and Laredo Theatre Ltd. (incorporated by reference to Exhibit 10.1(d) to Cinemark, Inc.'s Registration Statement on Form S-4, File No. 333-116292, filed June 8, 2004).
10.2	Amended and Restated Agreement to Participate in Profits and Losses, dated as of March 12, 2004, between Cinemark USA, Inc. and Alan W. Stock (incorporated by reference to Exhibit 10.2 to Cinemark USA, Inc.'s Quarterly Report on Form 10-Q, File No. 033-47040, filed May 14, 2004).
10.3	License Agreement, dated December 10, 1993, between Laredo Joint Venture and Cinemark USA, Inc. (incorporated by reference to Exhibit 10.14(c) to Cinemark USA, Inc.'s Annual Report on Form 10-K, File No. 033-47040, filed March 31, 1994).
10.4(a)	Tax Sharing Agreement, between Cinemark USA, Inc. and Cinemark International, L.L.C. (f/k/a Cinemark II, Inc.), dated as of June 10, 1992 (incorporated by reference to Exhibit 10.22 to Cinemark USA, Inc.'s Annual Report on Form 10-K, File No. 033-47040, filed March 31, 1993).
10.4(b)	Tax Sharing Agreement, dated as of July 28, 1993, between Cinemark USA, Inc. and Cinemark Mexico (USA) (incorporated by reference to Exhibit 10.10 to Cinemark Mexico (USA)'s Registration Statement on Form S-4, File No. 033-72114, filed on November 24, 1993).
+10.5(a)	Employment Agreement, dated as of March 12, 2004, between Cinemark, Inc. and Lee Roy Mitchell (incorporated by reference to Exhibit 10.14(a) to Cinemark USA, Inc.'s Quarterly Report on Form 10-Q, File No. 033-47040, filed May 14, 2004).
+10.5(b)	First Amendment to Employment Agreement, effective as of December 12, 2006, by and between Cinemark, Inc. and Lee Roy Mitchell (incorporated by reference to Exhibit 10.1 to Cinemark, Inc.'s Current Report on Form 8-K, File No. 001-31372, filed December 18, 2006).
+10.5(c)	Employment Agreement, dated as of March 12, 2004, between Cinemark, Inc. and Alan Stock (incorporated by reference to Exhibit 10.14(b) to Cinemark USA, Inc.'s Quarterly Report on Form 10-Q, File No. 033-47040, filed May 14, 2004).
+10.5(d)	First Amendment to Employment Agreement, effective as of December 12, 2006, by and between Cinemark, Inc. and Alan W. Stock (incorporated by reference to Exhibit 10.2 to Cinemark, Inc.'s Current Report on Form 8-K, File No. 001-31372, filed December 18, 2006).
+10.5(e)	Employment Agreement, dated as of March 12, 2004, between Cinemark, Inc. and Tim Warner (incorporated by reference to Exhibit 10.14(c) to Cinemark USA, Inc.'s Quarterly Report on Form 10-Q, File No. 033-47040, filed May 14, 2004).
+10.5(f)	First Amendment to Employment Agreement, effective as of December 12, 2006, by and between Cinemark, Inc. and Timothy Warner (incorporated by reference to Exhibit 10.3 to Cinemark, Inc.'s Current Report on Form 8-K, File No. 001-31372, filed December 18, 2006).
+10.5(g)	Employment Agreement, dated as of March 12, 2004, between Cinemark, Inc. and Robert Copple (incorporated by reference to Exhibit 10.14(d) to Cinemark USA, Inc.'s Quarterly Report on Form 10-Q, File No. 033-47040, filed May 14, 2004).
+10.5(h)	Employment Agreement, dated as of March 12, 2004, between Cinemark, Inc. and Rob Carmony (incorporated by reference to Exhibit 10.14(e) to Cinemark USA, Inc.'s Quarterly Report on Form 10-Q, File No. 033-47040, filed May 14, 2004).
+10.5(i)	Employment Agreement, dated as of March 12, 2004, between Cinemark, Inc. and Tandy Mitchell (incorporated by reference to Exhibit 10.14(f) to Cinemark USA, Inc.'s Quarterly Report on Form 10-Q, File No. 033-47040, filed May 14, 2004).
*+10.5(j)	First Amendment to Employment Agreement, dated January 25, 2007, between Cinemark, Inc. and Robert Copple.
10.6(a)	Credit Agreement, dated as of October 5, 2006, among Cinemark Holdings, Inc., Cinemark, Inc., CNMK Holding, Inc., Cinemark USA, Inc., the several banks and other financial institutions or entities from time to time parties to the Agreement, Lehman Brothers Inc. and Morgan Stanley Senior Funding, Inc., as joint lead arrangers and joint bookrunners, Morgan Stanley Senior Funding, Inc., as syndication agent, BNP Paribas and General Electric Capital Corporation as co-documentation agents, and Lehman Commercial Paper Inc., as administrative agent (incorporated by reference to Exhibit 10.5 to Current Report on Form 8-K, File No. 000-47040, filed by Cinemark USA, Inc. with the SEC on October 12, 2006).

Number	Exhibit Title
10.6(b)	Guarantee and Collateral Agreement, dated as of October 5, 2006, among Cinemark Holdings, Inc., Cinemark, Inc., CNMK Holding, Inc., Cinemark USA, Inc. and each subsidiary guarantor party thereto (incorporated by reference to Exhibit 10.6 to Current Report on Form 8-K, File No. 000-47040, filed by Cinemark USA, Inc. with the SEC on October 12, 2006).
*+10.7(a)	Cinemark Holdings, Inc. 2006 Long Term Incentive Plan, dated December 22, 2006.
*+10.7(b)	Form of Stock Option Agreement.
*21	Subsidiaries of the registrant.
*23.1	Consent of Deloitte & Touche LLP.
*23.2	Consent of Grant Thornton LLP.
**23.3	Consent of Akin Gump Strauss Hauer & Feld LLP (included in the opinion filed as Exhibit 5 to this Registration Statement).
*24	Power of Attorney (included on the signature page of this Registration Statement).

* Filed herewith.

** To be filed by amendment.

\+ Management contract, compensatory plan or arrangement.

EXHIBIT 4.4

CINEMARK HOLDINGS, INC.

STOCKHOLDERS AGREEMENT

THIS STOCKHOLDERS AGREEMENT (this "***Agreement***") is made as of August 7, 2006, among Cinemark Holdings, Inc., a Delaware corporation (the "***Company***"), Madison Dearborn Capital Partners IV, L.P., a Delaware limited partnership ("***MDCP***"), each of the investors listed on the Schedule of Mitchell Investors attached hereto (collectively, the "***Mitchell Investors***"), each of the investors listed on the Schedule of Quadrangle Investors attached hereto, (collectively, the "***Quadrangle Investors***"), Syufy Enterprises, LP, a California limited partnership (the "***Syufy Investor***"), Century Theatres Holdings, LLC, a California limited liability company ("***CTH***"), each of the executives listed on the Schedule of Executives attached hereto (collectively, the "***Executives***"), Northwestern University ("***NWU***"), K&E Investment Partners, LLC — 2004-B DIF ("***K&E***"), Piola Investments Ltd. ("***Piola***") and John Madigan ("***Madigan***"). MDCP, the Mitchell Investors, the Quadrangle Investors, the Syufy Investor, CTH, the Executives, NWU, K&E, Piola and Madigan are collectively referred to herein as the "***Stockholders***" and individually as a "***Stockholder***." Unless otherwise specified herein, all of the capitalized terms used herein are defined in Section 13 hereof.

WHEREAS, MDCP acquired shares of Class A Common Stock ("***Cinemark Class A Common Stock***") of Cinemark, Inc., a Delaware corporation ("***Cinemark***"), pursuant to the Stock Purchase Agreement between MDCP and the Company dated as of March 12, 2004, and NWU and Madigan subsequently acquired a portion of such shares from MDCP in accordance with the terms of the Original Agreement (as defined below) and are Permitted Transferees of MDCP hereunder;

WHEREAS, the Mitchell Investors and the Executives own shares of the capital stock of the Company and, in some cases, options to acquire shares of Company Class A Common Stock;

WHEREAS, Cinemark, MDCP, the Mitchell Investors and the Executives were parties to that certain Stockholders Agreement dated March 12, 2004, (the "***Original Agreement***");

WHEREAS, pursuant to a securities purchase agreement dated as of December 30, 2004 (the "***Quadrangle Purchase Agreement***"), the Quadrangle Investors acquired a portion of the Cinemark Class A Common Stock held by MDCP immediately prior to the execution of the Quadrangle Purchase Agreement and the Original Agreement was amended and restated to admit the Quadrangle Investors (as so amended, the "***First Amended Agreement***");

WHEREAS, pursuant to a certain securities purchase agreement dated as of December 30, 2004, K&E acquired shares of the Cinemark Class A Common Stock previously held by MDCP and became a party to the First Amended Agreement by executing a joinder thereto in accordance with Section 14 thereof;

WHEREAS, pursuant to a certain securities purchase agreement dated as of July 5, 2005, Piola acquired shares of Cinemark Class A Common Stock from Cinemark and became a party to the First Amended Agreement by executing a joinder thereto in accordance with Section 14 thereof;

WHEREAS, pursuant to a contribution and exchange agreement dated as of the date hereof (the "***Syufy Contribution Agreement***"), the Syufy Investor will receive 3,388,466 shares of Company Class A Common Stock in exchange for the contribution (the "***Syufy Contribution***") by the Syufy Investor of certain shares of common stock of Century Theatres, Inc. ("***Century***");

WHEREAS, the Contribution is being made in connection with the Company's and Cinemark USA, Inc.'s acquisition of Century (the "***Acquisition***") pursuant to a Stock Purchase Agreement, dated as of the date hereof, by and among Century, the Syufy Investor, the Company and Cinemark USA, Inc. (the "***Century Stock Purchase Agreement***");

WHEREAS, as of the date of this Agreement, CTH owns all of the issued and outstanding shares of capital stock of Century (the "***Century Shares***"), and the Syufy Investor owns all of the outstanding limited liability company interests of CTH;

WHEREAS, prior to the closing, CTH will distribute all of the Century Shares to the Syufy Investor and thereafter CTH will be dissolved pursuant to the Beverly-Killea Limited Liability Company Act, as amended, immediately after which the Syufy Investor will own all of the Century Shares and become a Stockholder hereunder;

WHEREAS, upon the distribution of the Century Shares to the Syufy Investor by CTH, CTH will cease to be a party to this Agreement and thereafter will have no further rights or obligations hereunder.

WHEREAS, immediately prior to and in connection with the Acquisition, each Stockholder will contribute one hundred percent of such Stockholder's shares of Cinemark Class A Common Stock and Cinemark Preferred Stock (if any) to the Company (the "***Cinemark Inc. Contribution***") in exchange for an equivalent number of shares of Company Class A Common Stock and Company Preferred Stock, pursuant to a Contribution Agreement dated as of the date hereof by and among the Company and the Stockholders (the "***Company Contribution Agreement***"); and

WHEREAS, the Company and the Stockholders desire to enter into this Agreement for the purposes, among others, of (i) establishing the composition of the Company's Board of Directors (the "***Board***"), (ii) assuring continuity in the management and ownership of the Company, (iii) limiting the manner and terms by which the Stockholder Shares may be transferred and (iv) providing covenants for certain Stockholders, all to become effective immediately following the Cinemark Inc. Contribution and Syufy Contribution and conditioned upon the closing of the Acquisition as more fully described below.

NOW, **THEREFORE**, in consideration of the mutual covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties to this Agreement hereby agree as follows:

1. Board of Directors.

(a) From and after the date hereof and until the provisions of this Section 1 cease to be effective, each holder of Stockholder Shares shall vote all of such holder's Stockholder Shares which are voting shares and any other voting securities of the Company over which such holder has voting control and shall take all other reasonably necessary or desirable actions within such holder's control (whether in such holder's capacity as a stockholder, director, member of a Board committee or officer of the Company or otherwise, and including, without limitation, attendance at meetings in person or by proxy for purposes of obtaining a quorum and execution of written consents in lieu of meetings), and the Company shall take all reasonably necessary or desirable actions within its control (including, without limitation, calling special Board and stockholder meetings), so that:

(i) the authorized number of directors on the Board shall be fourteen;

(ii) the following individuals shall be elected to the Board:

(A) two representatives designated by the Mitchell Investors (determined by a vote of the Mitchell Investors owning a majority of the Stockholder Shares held by all Mitchell Investors) (the "***Mitchell Directors***"), who shall be initially: Lee Roy Mitchell and one other individual to be designated by Lee Roy Mitchell;

(B) nine representatives designated by MDCP (as may be increased pursuant to paragraph (C) of this Section) (the "***MDCP Directors***");

(C) one representative designated by the Quadrangle Investors (the "***Quadrangle Director***"), who shall initially be Peter Ezersky; provided that at such time the Quadrangle Investors no longer have rights under this Agreement to designate the Quadrangle Director, the number of MDCP Directors pursuant to paragraph (B) of this Section shall be increased by one; and

(D) two representatives designated by the Syufy Investor (the "***Syufy Directors***"), who shall initially be Raymond W. Syufy and Joseph A. Syufy; provided that at such time as the Syufy Investor no longer has rights under this Agreement to designate one or both Syufy Directors, the authorized number of directors on the Board shall be reduced by one or two directors, as applicable.

(iii) the removal from the Board of any director as a result of a breach of such director's fiduciary duties to the Company and its stockholders under applicable law shall be only by a vote of the holders of a majority of the Company's outstanding Company Class A Common Stock;

(iv) the removal from the Board of any director for any other reason shall be only upon the written request of the Person or Persons originally entitled to designate such director pursuant to this Section 1(a);

(v) in the event that any representative designated hereunder by any Stockholder ceases to serve as a director during his or her term in office, the resulting vacancy shall be filled by the Person or Persons originally entitled to designate such director pursuant to this Section 1(a);

(vi) Lee Roy Mitchell shall serve as the Chairman of the Board; provided that, if so requested by a majority of the members of the Board (excluding the Mitchell Directors), he shall resign as Chairman at such time as: (A) the right of the Mitchell Investors to designate any director terminates in accordance with Section 1(c)(i) or 1(c)(ii); or (B) pursuant to the Employment Agreement between Lee Roy Mitchell and the Company dated as of March 12, 2004 (the "***Employment Agreement***"), his employment is terminated by the Company for Cause (as defined in the Employment Agreement) or by Lee Roy Mitchell in a Voluntary Termination (as defined in the Employment Agreement), and in the event that Lee Roy Mitchell ceases to serve as the Chairman of the Board, the Chairman shall be elected by a majority of the members of the Board;

(vii) if any party fails to designate a director to fill a vacancy on the Board pursuant to the terms of this Section 1(a), such vacant Board position shall remain open and unfilled until such time as the party with the right to designate a director for such a vacancy exercises such party's right to fill such position; and

(viii) notwithstanding the foregoing, in the event that a Person loses its right to designate a director in accordance with Section 1(c) below, the director designated by such Person shall be removed at the request of a majority of the Board (excluding such director or directors) upon the occurrence of such event and the total authorized number of directors shall be reduced upon such action by a majority of the Board (excluding such director or directors) by the number of directors that such Person loses its rights to designate.

(b) The Company shall pay the reasonable out-of-pocket expenses incurred by each director in connection with attending the meetings of the Board and any committee thereof.

(c) Notwithstanding anything to the contrary contained herein,

(i) the number of Mitchell Directors shall be reduced by one upon the occurrence of each of the following events: (A) such time as the Mitchell Investors and their Permitted Transferees hold in the aggregate less than 9% of the outstanding shares of Company Class A Common Stock and (B) such time as the Mitchell Investors and their Permitted Transferees hold in the aggregate less than 3% of the outstanding shares of Company Class A Common Stock; and the rights of the Mitchell Investors under this Section 1 shall terminate automatically and cease to have any further force or effect upon the occurrence of the event described in clause 1(c)(i)(B) immediately above. In the event that the Mitchell Investors and their Permitted Transferees hold in the aggregate less than 3% of the outstanding shares of Company Class A Common Stock, the Mitchell Investors shall have the right to designate one observer to the Board (an "***Observer***"), which shall either be Lee Roy Mitchell or Tandy Mitchell. An Observer shall be entitled to attend all meetings of the Board but shall not be entitled to (x) attend meetings of the Board with counsel which may constitute privileged communications, (y) attend meetings of the Board which include topics of discussion which may constitute a conflict of interest between the Company and the Mitchell Investors, or (z) vote on any matters voted on by the Board. The determination of whether a conflict of interest exists for purposes of clause (y) in the immediately preceding sentence shall be made by a majority of the Board. If such a determination is made prior to a Board meeting, the Board shall provide written notice to the Mitchell Investors setting forth in reasonable detail the basis for such conflict of interest. Such a determination may be made during an ongoing Board meeting by a majority of the Board and, upon such determination, the Observer shall immediately leave the meeting. Upon the conclusion of the discussion (including any action by the Board thereon) which constitutes a conflict of interest between the Company and the Mitchell Investors, the Observer shall be invited to return to the meeting. No business other than the discussion (including any action by the Board thereon) which constitutes a conflict of interest between the Company and the Mitchell Investors may be conducted by the Board at such an ongoing Board meeting until the Observer has been notified in accordance with the immediately preceding sentence. The Mitchell Investors' right to designate an Observer shall terminate automatically and cease to have any further force or effect upon the earlier to occur of (i) the Observer designated under this Section 1(c)(i) is not Lee Roy Mitchell or Tandy Mitchell and (ii) the Mitchell Investors and their Permitted Transferees cease to hold in the aggregate at least 2% of the outstanding shares of Company Class A Common Stock. The right of the Mitchell Investors to designate an Observer hereunder shall not be transferable or assignable under any circumstances;

(ii) the rights of the Mitchell Investors under this Section 1 shall terminate automatically and cease to have any further force or effect at such time as the Mitchell Investors and their Permitted Transferees hold, directly or indirectly, more than a 5% interest of any business (other than the Company) that owns, operates or manages theatres with more than 800 movie screens in the aggregate in the Western Hemisphere;

(iii) the rights of the Quadrangle Investors under this Section 1 to designate the Quadrangle Director shall terminate automatically and cease to have any further force or effect at such time as the Quadrangle Investors and their Permitted Transferees hold in the aggregate less than 3% of the outstanding shares of Company Class A Common Stock. In the event that the Quadrangle Investors and their Permitted Transferees hold in the aggregate less than 3% of the outstanding shares of Company Class A Common Stock, the Quadrangle Investors shall have the right to designate an Observer, which shall be a member or employee of Quadrangle Group, LLC. An Observer shall be entitled to attend all meetings of the Board but shall not be entitled to (x) attend meetings of the Board with the Company's counsel or the Board's special counsel which may constitute privileged communications, (y) attend meetings of the Board which include topics of discussion which may constitute a conflict of interest between the Company and the Quadrangle Investors or (z) vote on any matters voted on by the Board. The determination of whether a conflict of interest exists for purpose of clause (y) in the immediately preceding sentence shall be made by a majority of the Board. If such a determination is made prior to a Board meeting, the Board shall provide written notice to the Quadrangle Investors setting forth in reasonable detail the basis for such conflict of interest. Such a determination may be made during an ongoing Board meeting by a majority of the Board and upon such determination the Observer shall immediately leave the meeting. Upon the conclusion of the discussion (including any action by the Board thereon) which constitutes a conflict of interest between the Company and the Quadrangle Investors, the Observer shall be invited to return to the meeting. No business other than the discussion (including any action by the Board thereon) which constitutes a conflict of interest between the Company and the Quadrangle Investors may be conducted by the Board at such an ongoing Board meeting until the Observer has been notified in accordance with the immediately preceding sentence. The Quadrangle Investors' right to designate an Observer shall terminate automatically and cease to have any further force or effect upon the earlier to occur of (i) the Observer designated under this Section 1(c)(iii) is not a member or employee of Quadrangle Group, LLC (it being understood and agreed that, should the current Observer at any time cease to be a member or employee of Quadrangle Group, LLC, the Quadrangle Investors' right to designate an Observer shall not terminate unless the Quadrangle Investors do not designate a replacement Observer who is a member or employee of the Quadrangle Group, LLC within 5 business days thereof) and (ii) the Quadrangle Investors and their Permitted Transferees cease to hold in the aggregate at least 2% of the outstanding shares of Company Class A Common Stock. The rights of the Quadrangle Investors to designate the Quadrangle Director or an Observer hereunder shall not be transferable or assignable under any circumstances, except to a Qualified Permitted Transferee of the Quadrangle Investors;

(iv) the number of Syufy Directors shall be reduced by one upon the occurrence of each of the following events: (A) such time as the Syufy Investor and its Permitted Transferees hold in the aggregate less than 7% of the outstanding shares of Company Class A Common Stock and (B) such time as the Syufy Investors and its Permitted Transferees hold in the aggregate less than 3% of the outstanding shares of Company Class A Common Stock. In addition, the rights of the Syufy Investor under this Section 1 to designate the Syufy Directors shall terminate automatically and cease to have any further force or effect at such time as (1) the Syufy Investor, Raymond W. Syufy or Joseph Syufy breach the terms of Section 3 of the Non-Competition and Non-Disclosure Agreement, dated as of the date hereof, by and among the Syufy Investor, Raymond W. Syufy, Joseph Syufy and the Company (the "***Syufy Non-Competition Agreement***") (this clause (1), a "***Non-Curable Termination Event***") or (2) the Syufy Investor or its Permitted Transferees, Raymond Syufy or Joseph Syufy (each, a "***Syufy Person***") holds, directly or indirectly, any interest of any business (other than the Company) that owns, operates or manages movie theatres that are not drive-in theaters (a "***Competing Business***") but where such ownership would not violate Section 3 of the Syufy Non-Competition Agreement (this clause (2), a "***Curable Termination Event***"); provided that the foregoing loss of rights upon the ownership, operation or management of a Competing Business shall not apply to (i) holding up to a 5% interest in any publicly traded company or (ii) holding an ownership interest in a Competing Business that (x) owns, operates or manages less than 100 screens in the aggregate in any one or more states in which the Company does not, at the time the Syufy Person first acquires such ownership interest, own, operate or manage a movie theater and/or (y) owns, operates or manages less than 32 screens in the aggregate in any one or more states in which the Company, at the time the Syufy Person first acquires such ownership interest, owns, operates or manages a movie theater. For purposes of calculating the number of screens for purposes of clause (ii) of the foregoing sentence, movie screens acquired by a Syufy Person following an event of default under a lease under which the Syufy Person is the lessor and which gives such lessor the right to regain possession of and operate such theatre shall be disregarded unless the Syufy Person demolishes and rebuilds a new theatre on the property. In the event that the rights of the Syufy Investor to designate the Syufy Directors terminates by reason of a Curable Termination Event, the Syufy Investor shall have the right to cure such Curable Termination Event and the Syufy Investor's rights to designate the Syufy Directors shall be reinstated at such time as there is no longer a Curable Termination Event in effect. In the event that the Syufy Investor and their Permitted Transferees hold in the aggregate less than 3% of the outstanding shares of Company Class A Common Stock, the Syufy Investor shall have the right to designate an Observer, which shall be a director of the general partner of, or an executive officer of, Syufy Enterprises; provided, however, that this right to designate an Observer shall not be granted to the Syufy Investor if the Syufy Investor is in violation of the terms of the preceding sentence. An Observer shall be entitled to attend all meetings of the Board but shall not be entitled to (x) attend meetings of the Board with the Company's counsel or the Board's special counsel which may constitute privileged communications, (y) attend meetings of the Board which include topics of discussion which may constitute a conflict of interest between the Company and the Syufy Investor or (z) vote on any matters voted on by the Board. The determination of whether a conflict of interest exists for purpose of clause (y) in the immediately preceding sentence shall be made by a majority of the Board. If such a determination is made prior to a Board meeting, the Board shall provide written notice to the Syufy Investor setting forth in reasonable detail the basis for such conflict of interest. Such a determination may be made during an ongoing Board meeting by a majority of the Board and upon such determination the Observer shall immediately leave the meeting. Upon the conclusion of the discussion (including any action by the Board thereon) which constitutes a conflict of interest between the Company and the Syufy Investor, the Observer shall be invited to return to the meeting. No business other than the discussion (including any action by the Board thereon) which constitutes a conflict of interest between the Company and the Syufy Investor may be conducted by the Board at such an ongoing Board meeting until the Observer has been notified in accordance with the immediately preceding sentence. The Syufy Investor's right to designate an Observer shall terminate automatically and cease to have any further force or effect upon the earlier to occur of (i) the Observer designated under this Section 1(c)(iii) is not a director of the general partner or an executive officer of Syufy Enterprises (it being understood and agreed that, should the current Observer at any time cease to be a director of the general partner or an executive officer of Syufy Enterprises, the Syufy Investor's right to designate an Observer shall not terminate unless the Syufy Investor does not designate a replacement Observer who is a member of the board of directors of the general partner or an executive officer of Syufy Enterprises within 5 business days thereof) and (ii) the Syufy Investor and their Permitted Transferees cease to hold in the aggregate at least 2% of the outstanding shares of Company Class A Common Stock. The rights of the Syufy Investor to designate the Syufy Directors or an Observer hereunder shall not be transferable or assignable under any circumstances, except to a Qualified Permitted Transferee of the Syufy Investor; and

(v) the rights of MDCP under this Section 1 shall terminate automatically and cease to have any further force or effect at such time as MDCP and its Permitted Transferees hold in the aggregate less than 5% of the outstanding shares of Company Class A Common Stock provided that MDCP may assign its right to designate (A) any number of directors that MDCP is entitled to designate hereunder to any Person or group of affiliated Persons who acquires more than 50% of the shares of Company Class A Common Stock held by MDCP on the date of this Agreement (as such number may be adjusted from time to time to give effect to stock splits or other similar adjustments to the capitalization of the Company), and (B) two of the directors MDCP is entitled to designate hereunder to any Person or group of affiliated Persons who acquires less than 50% of the shares of Company Class A Common Stock held by MDCP on the date of this Agreement (as such number may be adjusted from time to time to give effect to stock splits or other similar adjustments to the capitalization of the Company).

(d) The provisions of this Section 1 shall terminate automatically and cease to have any further force or effect upon the consummation of a Sale of the Company.

2. Representations and Warranties; Voting Agreements.

(a) Each Stockholder represents and warrants that (i) after giving effect to the transactions contemplated by the Syufy Contribution Agreement, such Stockholder is the record owner of the number of Stockholder Shares set forth opposite its name on the Schedules attached hereto, free and clear of all liens and encumbrances, (ii) this Agreement has been duly authorized, executed and delivered by such Stockholder and constitutes the valid and binding obligation of such Stockholder, enforceable in accordance with its terms, (iii) such Stockholder has not granted and is not a party to any proxy, voting trust or other agreement which is inconsistent with, conflicts with or violates any provision of this Agreement, (iv) as of the date hereof, the number of shares of common stock of the Company which such Stockholder owns of record and the number of shares of common stock of the Company issuable upon exercise of options owned by such Stockholder are set forth opposite such Stockholder's name on the schedules attached hereto, (v) except as set forth on such schedules, such Stockholder does not own any shares of capital stock issued by the Company or any of its Subsidiaries or any other securities or rights to acquire securities of the Company or any of its Subsidiaries, and (vi) such Stockholder has not received and is not entitled to receive any payments or other compensation from the Company or any of its Subsidiaries or any other party as a result of or in connection with the transactions contemplated by the Syufy Contribution Agreement. In addition, Lee Roy Mitchell and The Mitchell Special Trust represent and warrant that Lee Roy Mitchell is one of two trustees of such trust, and such trust is solely for the benefit of members of Lee Roy Mitchell's Family Group.

(b) No Stockholder has granted, and from and after the date hereof no Stockholder shall grant, any proxy or become party to any voting trust or other agreement that is inconsistent with, conflicts with or violates any provision of this Agreement.

3. Restrictions on Transfer of Stockholder Shares.

(a) Transfer of Stockholder Shares. No holder of Stockholder Shares shall sell, transfer, assign or otherwise dispose of (whether with or without consideration and whether voluntarily or involuntarily or by operation of law, but excluding by way of merger or consolidation) any interest in his Stockholder Shares (a "***Transfer***"), except pursuant to this Agreement. Any Transfer or attempted Transfer of any Stockholder Shares in violation of any provision of this Agreement shall be void, and the Company shall not record such Transfer on its books or treat any purported transferee of such Stockholder Shares as the owner of such shares for any purpose.

(b) Exempt Transfers.

(i) Subject to the provisions in Section 3(b)(ii), the restrictions set forth in this Section 3 shall not apply to any Transfer by a Stockholder with respect to any of the following Transfers (each an "***Exempt Transfer***"):

(A) any Transfer of Stockholder Shares by a Stockholder who is not a natural person to such Stockholder's Affiliates, and in the case of MDCP, the Quadrangle Investors, any Transfer which constitutes an in-kind distribution to its partners (and, in connection with or following any such distribution, an in-kind distribution by the general partner of MDCP or any of the Quadrangle Investors to its partners);

(B) in the case of a Stockholder who is a natural person, any Transfer by will or pursuant to the applicable laws of descent and distribution and any Transfer to or among such Stockholder's Affiliates, and members of such holder's Family Group or such Family Group member's Affiliates;

(C) any Transfer of Stockholder Shares in connection with an Approved Sale;

(D) any Transfer by the Executives of their Stockholder Shares to the Company or any of its Subsidiaries;

(E) any Transfer by the Company to an Executive pursuant to Section 9 hereunder; or

(F) any Transfer of Stockholder Shares pursuant to a registered securities distribution or sales transaction pursuant to the terms of the Registration Agreement.

(ii) A transferee of Stockholder Shares pursuant to a Transfer described in Sections 3(b)(i)(A) and (B) above is referred to herein as a '***Permitted Transferee***." The restrictions contained in Section 3(a) shall continue to be applicable to the Stockholder

Shares after any Transfer pursuant to Sections 3(b)(i)(A), (B) and (E), and such transferees of such Stockholder Shares shall agree in writing to be bound by the provisions of this Agreement affecting the Stockholder Shares so transferred. Notwithstanding the foregoing, no party hereto shall avoid the provisions of this Agreement by making one or more Transfers to one or more Permitted Transferees and then disposing of all or any portion of such party's interest in any such Permitted Transferee. Notwithstanding anything herein to the contrary, in no event shall any Stockholder Shares be pledged unless otherwise approved in writing by MDCP and the Mitchell Investors.

(c) First Refusal Rights upon Transfers by Stockholders other than MDCP.

(i) If any holder of Stockholder Shares (other than MDCP or any of its Permitted Transferees) proposes to Transfer Stockholder Shares (other than pursuant to an Exempt Transfer), then not less than 20 days prior to the date on which such Transfer will occur (such 20-day period, the "***Election Period***"), the transferring holder (the "***Transferring Stockholder***") shall deliver a written notice (an "***Offer Notice***") to the Company, MDCP, the Mitchell Investors, the Quadrangle Investors and the Syufy Investor. The Offer Notice shall disclose in reasonable detail the number of Stockholder Shares proposed to be Transferred (the ***"Offered Shares"***), the material terms and conditions of the Transfer and the identity, background and ownership (if applicable) of the prospective transferee(s), and the Offer Notice shall constitute a binding offer to sell the Offered Shares in accordance with the provisions of this Section 3(c), first to the Company, and then to MDCP, the Mitchell Investors, the Quadrangle Investors and the Syufy Investor.

(ii) Upon receipt of the Offer Notice, the Company may elect to purchase all or any portion of the Offered Shares at the price and on the terms specified therein by delivering written notice (the "***Company Election Notice***") of such election to the Transferring Stockholder, MDCP, the Mitchell Investors, the Quadrangle Investors and the Syufy Investor as soon as practical, but in any event within 10 days (the "***Company Offer Period***") after the delivery of the Offer Notice to the Company, MDCP, the Mitchell Investors the Quadrangle Investors and the Syufy Investor.

(iii) If and only if the Company has not elected to purchase all of the Offered Shares within the Company Offer Period, then MDCP, the Mitchell Investors, the Quadrangle Investors and the Syufy Investor in the aggregate may purchase all (but not less than all) of the Offered Shares not elected to be purchased by the Company (such Offered Shares, the "***Available Shares***") at the price and on the terms specified in the Offer Notice. Each Stockholder electing to purchase a portion of the Available Shares (each a "***Participating Stockholder***") shall deliver written notice (the "***Stockholder Election Notice***") of such election to the Transferring Stockholder and the Company within 20 days after delivery of the Offer Notice to the Company, MDCP, the Mitchell Investors, the Quadrangle Investors and the Syufy Investor. The number of Available Shares which may be purchased by each Participating Stockholder shall be determined by the Company as follows:

(A) Each Participating Stockholder shall specify in the Stockholder Election Notice the maximum number of Available Shares such Participating

Stockholder is requesting to purchase (such number of Available Shares, that Participating Stockholder's "***Requested Amount***").

(B) The Company shall first allocate the Available Shares among the Participating Stockholders such that each Participating Stockholder is allocated (such Participating Stockholder's "***Initial Allocation***") the lesser of (i) such Participating Purchaser's Requested Amount and (ii) the product of (A) the quotient of the number of shares of Company Class A Common Stock held by such Participating Stockholder divided by the aggregate shares of Company Class A Common Stock held by all Participating Stockholders immediately prior to delivery of the Offer Notice (such percentage, such Participating Purchaser's "***Pro Rata Share***") multiplied by (B) the total number of Available Shares.

(C) If the sum of each Initial Allocation for each Participating Stockholder (the "***Initial Allocation Sum***") is less than the total number of Available Shares, then the difference between the Initial Allocation Sum and the Number of Available Shares (such difference, the "***Remaining Available Shares***") shall be allocated to the Participating Stockholders whose Requested Amount equaled or exceeded their Pro Rata Share (such Participating Stockholders, the "***Remaining Participating Stockholders***"). The Company shall allocate to each Remaining Participating Stockholders the lesser of (i) the difference between the amount allocated to such Stockholder pursuant to Section 3(c)(iii)(B) and such Stockholder's Requested Amount and (ii) the product of (A) the quotient of the number of shares of Company Class A Common Stock held by such Remaining Participating Stockholder divided by the aggregate shares of Company Class A Common Stock held by all Remaining Participating Stockholders immediately prior to delivery of the Offer Notice (such percentage, such Remaining Participating Purchaser's "***Remaining Pro Rata Share***") multiplied by (B) the total number of Remaining Available Shares.

(D) If after the allocation of Remaining Available Shares, all Offered Shares have not been allocated because a Remaining Participating Stockholder's Requested Amount was less than such Remaining Participating Stockholder's Remaining Pro Rata Share multiplied by the total number of Remaining Available Shares, then the Company shall continue to allocate Available Shares in accordance with Paragraph (C) immediately above until the earlier to occur of (i) all Available Shares are allocated among the Participating Stockholders and (ii) all Participating Stockholders are allocated their Requested Amount.

(iv) If the Company and/or MDCP, the Mitchell Investors, the Quadrangle Investors and/or the Syufy Investor elect to purchase Stockholder Shares from the Transferring Stockholder, the Transfer of such shares shall be consummated as soon as practical after the delivery of the Company Election Notice or the Stockholder Election Notice, as applicable, to the Transferring Stockholder, but in any event within 45 days after the expiration of the Election Period.

(v) To the extent that the aggregate number of Offered Shares elected to be purchased by the Company, MDCP, the Mitchell Investors, the Quadrangle Investors and/or the Syufy Investor does not in the aggregate equal all of the Offered Shares, then the offer to sell such Offered Shares pursuant to Section 3(c)(i) shall be automatically revoked upon the expiration of the Election Period and the Transferring Stockholder may, within 90 days after the expiration of the Election Period and subject to the provisions of this Agreement, Transfer such Offered Shares at a price no less than the price per share specified in the Offer Notice and on other terms no more favorable to the transferees thereof than those offered to the Company, MDCP, the Mitchell Investors, the Quadrangle Investors and the Syufy Investor in the Offer Notice. Any Offered Shares not Transferred within such 90-day period shall be reoffered to the Company, MDCP, the Mitchell Investors, the Quadrangle Investors and the Syufy Investor under this Section 3(c) prior to any subsequent Transfer.

(d) First Refusal Rights upon Transfers by MDCP to a Competitor.

(i) If MDCP proposes to Transfer its Stockholder Shares to a Competitor or such Competitor's Affiliates and such Transfer will not be effected in connection with a Sale of the Company, then not less than 20 days prior to the date on which such Transfer will occur (such 20-day period, the "***Competitor Sale Election Period***"), such Person shall deliver a written notice (a "***Competitor Sale Offer Notice***") to the Company, the Mitchell Investors, the Quadrangle Investors and the Syufy Investor. The Competitor Sale Offer Notice shall disclose in reasonable detail the number of Stockholder Shares to be Transferred, the material terms and conditions of the Transfer and the identity, background and ownership (if applicable) of the Competitor, and the Competitor Sale Offer Notice shall constitute a binding offer to sell such Stockholder Shares in accordance with the provisions of this Section 3(d), first to the Company, and then to the Mitchell Investors, the Quadrangle Investors and the Syufy Investor on a pro rata basis based on the number of shares of Company Class A Common Stock then held by each of the Mitchell Investors, the Quadrangle Investors and the Syufy Investor as a percentage of the aggregate number of shares of Company Class A Common Stock then held by the Mitchell Investors, the Quadrangle Investors and the Syufy Investor, on the terms and conditions contained in the Competitor Sale Offer Notice.

(ii) Upon receipt of the Competitor Sale Offer Notice, the Company may elect to purchase all (but not less than all) of the Stockholder Shares specified in the Competitor Sale Offer Notice at the price and on the terms specified therein by delivering written notice (the "***Competitor Sale Election Notice***") of such election to MDCP, the Mitchell Investors, the Quadrangle Investors and the Syufy Investor as soon as practical, but in any event within 10 days (the "***Competitor Sale Offer Period***") after the delivery of the Competitor Sale Offer Notice to the Company and MDCP.

(iii) If and only if the Company has not elected to purchase all of the Stockholder Shares within the Competitor Sale Offer Period, the Mitchell Investors, the Quadrangle Investors and the Syufy Investor may elect to purchase all (but not less than all) of the Stockholder Shares specified in the Competitor Sale Offer Notice at the price and on the terms specified therein by delivering written notice (the "***Mitchell-Quadrangle-Syufy Election Notice***") of such election to MDCP within 20 days after delivery of the Offer Notice to the

Company, the Mitchell Investors, the Quadrangle Investors and the Syufy Investor. Any purchase by the Mitchell Investors, the Quadrangle Investors and the Syufy Investor pursuant to this Section 3(d) shall be on a pro rata basis based on the number of shares of Company Class A Common Stock held by each of the Mitchell Investors, the Quadrangle Investors and the Syufy Investor as a percentage of the aggregate shares of Company Class A Common Stock held by the Mitchell Investors, the Quadrangle Investors and the Syufy Investor immediately prior to such purchase. If the Mitchell Investors, the Quadrangle Investors or the Syufy Investor does not elect to purchase their pro rata share of the Stockholder Shares subject to the Competitor Sale Offer Notice, the Mitchell Investors, the Quadrangle Investors or the Syufy Investor, as applicable, which have elected to purchase their pro rata share of the Stockholder Shares subject to the Competitor Offer Sale Notice may purchase such remaining Stockholder Shares on a pro rata basis by providing written notice to MDCP and the Company.

(iv) If the Company and/or any of the Mitchell Investors, the Quadrangle Investors and/or the Syufy Investor elect to purchase Stockholder Shares from MDCP, the Transfer of such shares shall be consummated as soon as practical after the delivery of the Competitor Sale Election Notice or the Mitchell-Quadrangle-Syufy Election Notice, as applicable, to MDCP, but in any event within 45 days after the expiration of the Competitor Sale Election Period.

(v) To the extent that the Company, the Mitchell Investors, the Quadrangle Investors and the Syufy Investor do not elect to purchase all of the Stockholder Shares being offered, MDCP may, within 90 days after the expiration of the Competitor Sale Election Period and subject to the provisions of this Agreement, Transfer such Stockholder Shares to the Competitor (or such Competitor's Affiliates) identified in the Competitor Sale Offer Notice at a price no less than the price per share specified in the Competitor Sale Offer Notice and on other terms no more favorable to the Competitor (or such Competitor's Affiliates) than those offered to the Company, the Mitchell Investors, the Quadrangle Investors and the Syufy Investor in the Competitor Sale Offer Notice. Any Stockholder Shares held by MDCP not Transferred within such 90-day period shall be reoffered to the Company, the Mitchell Investors, the Quadrangle Investors and the Syufy Investor under this Section 3(d) prior to any subsequent Transfer to a Competitor.

(e) Participation Rights.

(i) If MDCP proposes to Transfer any of its Stockholder Shares (other than pursuant to an Exempt Transfer, then not less than 20 days prior to any such Transfer of Stockholder Shares (such 20-day period, the "***MDCP Sale Period***"), MDCP shall deliver a written notice (the "***MDCP Sale Notice***") to the Company and all holders of Stockholder Shares other than MDCP (the "***Other Stockholders***") specifying in reasonable detail the identity, background and ownership (if any) of the prospective transferee(s), the number of shares to be Transferred and the terms and conditions of the Transfer (which notice may be the same notice and given at the same time as the Offer Notice under Section 3(d)). Subject to Section 3(e)(iii), the Other Stockholders may elect to participate in the contemplated Transfer at the same price per share and on the same terms by delivering written notice (the "***MDCP Sale Election Notice***") to MDCP within the MDCP Sale Period. If any of the Other Stockholders has elected to participate in such Transfer, then MDCP and such Other Stockholder shall be entitled to sell in the contemplated Transfer, at the same price and on the same terms, a number of Stockholder Shares equal to the product of (A) the quotient determined by dividing (x) the percentage of Stockholder Shares owned by such Person by (y) the aggregate percentage of Stockholder Shares owned by MDCP and the Other Stockholders participating in such sale, and (B) the number of Stockholder Shares to be sold in the contemplated Transfer.

For example, if the Sale Notice contemplated a sale of 100 Stockholder Shares by MDCP, and if MDCP at such time owns 30% of all Stockholder Shares and if the Mitchell Investors owning 20%, Executives owning 10%, the Quadrangle Investors owning 8% and the Syufy Investor owning 10% of all Stockholder Shares elect to participate, then MDCP would be entitled to sell 38 shares ((30% ÷ 78%) x 100 shares), the Mitchell Investors would be entitled to sell 26 shares ((20% ÷ 78%) x 100 shares), the Executives would be entitled to sell 13 shares ((10% ÷ 78%) x 100 shares), the Quadrangle Investors would be entitled to sell 10 shares ((8% ÷ 78%) x 100 shares) and the Syufy Investor would be entitled to sell 13 shares ((10% ÷ 78%) x 100 shares).

(ii) Any of the Other Stockholders may elect to sell in any Transfer contemplated under this Section 3(e) a number of Stockholder Shares less than any such Other Stockholder is entitled to sell hereunder, in which case MDCP shall have the right to sell an additional number of Stockholder Shares in such Transfer equal to the number that all such Other Stockholders are permitted to sell but have elected not to sell. MDCP shall use reasonable efforts to obtain the agreement of the prospective transferee(s) to the participation of the Other Stockholders in any contemplated Transfer, and MDCP shall not Transfer any of its Stockholder Shares to any prospective transferee if such prospective transferee declines to allow the participation of the Other Stockholders. Each holder Transferring Stockholder Shares pursuant to this Section 3(e) shall pay such holder’s pro rata share (based on the number of Stockholder Shares to be sold) of the expenses incurred by the holders in connection with such Transfer and shall be obligated to join on a pro rata basis (based on the number of Stockholder Shares to be sold) in any indemnification or other obligations that MDCP agrees to provide in connection with such Transfer (other than any such obligations that relate specifically to a particular holder such as indemnification with respect to representations and warranties given by a holder regarding such holder’s title to and ownership of Stockholder Shares); provided that no holder shall be obligated in connection with such Transfer to agree to indemnify or hold harmless the transferees with respect to an amount in excess of the net consideration paid to such holder in connection with such Transfer.

(iii) Notwithstanding the foregoing, no Executive (or any of such Executive’s Permitted Transferees) shall be entitled to participate under this Section 3(e) in any Transfer made by MDCP or any of its Permitted Transferees, unless such Transfer (together with any related Transfers) constitutes a Sale of the Company.

(f) Transfers to Competitors. No holder of Stockholder Shares (other than MDCP and its Permitted Transferees, subject to Section 3(d)) shall Transfer any Stockholder

Shares to any Competitor, except pursuant to Section 3(e) or Section 4 hereof; provided, however, that this Section 3(f) shall not be deemed to limit the ability of any holder of Stockholder Shares from Transferring such Shares in a Public Sale or in a registered offering of securities pursuant to the Registration Agreement.

(g) Termination of Restrictions. The restrictions on the Transfer of Stockholder Shares set forth in this Section 3 shall continue with respect to each Stockholder Share until the date on which such Stockholder Share has been transferred in a Public Sale or in a Sale of the Company.

4. Sale of the Company.

(a) If the Board or MDCP approves a Sale of the Company and delivers written notice to the holders of Stockholders Shares invoking the provisions of this Section (any such sale, an "***Approved Sale***"), the holders of Stockholders Shares shall consent to, vote in favor of and raise no objections against the Approved Sale.

(b) If the Approved Sale is structured as (i) a merger or consolidation, each holder of Stockholder Shares shall vote its Stockholder Shares to approve such merger or consolidation, whether by written consent or at a stockholders meeting (as requested by the Board or MDCP, as the case may be), and waive all dissenter's rights, appraisal rights and similar rights in connection with such merger or consolidation, (ii) a sale of stock, each holder of Stockholder Shares shall agree to sell, and shall sell, all of its Stockholder Shares and rights to acquire Stockholder Shares on the terms and conditions so approved, or (iii) a sale of assets, each holder of Stockholder Shares shall vote its Stockholder Shares to approve such sale and any subsequent liquidation of the Company or other distribution of the proceeds therefrom, whether by written consent or at a stockholders meeting (as requested by the Board or MDCP, as the case may be).

(c) In furtherance of the foregoing, (i) each holder of Stockholder Shares shall take, with respect to such holder's Stockholder Shares, all necessary or desirable actions reasonably requested by the Board or MDCP, as the case may be, in connection with the consummation of the Approved Sale, including without limitation, voting to approve such transaction and executing the applicable purchase agreement, and (ii) each holder of Stockholder Shares shall make substantially similar representations, warranties, indemnities and agreements as each other holder of Stockholder Shares, provided that (A) each holder of Stockholder Shares shall be obligated to make representations and warranties as to such Stockholder's title to and ownership of Stockholder Shares, authorization, execution and delivery of relevant documents by such Stockholder, enforceability of relevant agreements against such Stockholder and other matters relating to such Stockholder, to enter into covenants in respect of a Transfer of such Stockholder's Stockholder Shares in connection with such Approved Sale and to enter into indemnification obligations with respect to the foregoing, in each case to the extent that each other Stockholder is similarly obligated, but no Stockholder shall be obligated to enter into indemnification obligations with respect to any of the foregoing in respect of any other Stockholder or such other Stockholder's Stockholder Shares and (B) in no event shall any Stockholder be liable in respect of any indemnity obligations pursuant to any Approved Sale in an aggregate amount in excess of the total consideration payable to such Stockholder in such Approved Sale.

(d) The obligations of the holders of Stockholder Shares with respect to an Approved Sale are subject to the satisfaction of the following conditions: (i) except as provided in the provisos in Sections 8(d)(1)(iii) and 8(d)(1)(iv) of this Agreement, upon the consummation of the Approved Sale, each holder of Stockholder Shares will receive the same form of consideration and the same portion of the aggregate consideration that such holder of Stockholder Shares would have received if such aggregate consideration had been distributed by the Company in complete liquidation pursuant to the rights and preferences set forth in the Company's Certificate of Incorporation as in effect immediately prior to such Approved Sale; (ii) except as provided in the provisos in Sections 8(d)(1)(iii) and 8(d)(1)(iv) of this Agreement, if any holder of a class of Stockholder Shares is given an option as to the form and amount of consideration to be received, each holder of such class of Stockholder Shares will be given the same option; and (iii) each holder of then currently exercisable rights to acquire shares of a class of Stockholder Shares will be given an opportunity to exercise such rights prior to the consummation of the Approved Sale and participate in such sale as holders of such class of Stockholder Shares; provided that the condition that each holder of Stockholder Shares receives, or is provided with the same option to receive, the same form of consideration as set forth in clause (i) and clause (ii) above shall be deemed satisfied with respect to (A) the Quadrangle Investors and their Permitted Transferees, so long as the Quadrangle Investors and their Permitted Transferees receive the same form of consideration, the same amount of consideration per share, and the same option as to the form of consideration as MDCP receives in the Approved Sale, (B) the Syufy Investor and their Permitted Transferees, so long as the Syufy Investor and their Permitted Transferees receive the same form of consideration, the same amount of consideration per share, and the same option as to the form of consideration as MDCP receives in the Approved Sale and (C) with respect to all other Stockholders, even if certain holders of Stockholders Shares receive, to the exclusion of others, securities of the entity acquiring the Company in an Approved Sale, so long as each holder of Stockholder Shares receives the same amount of value, whether in cash or such securities, as of the closing of such Approved Sale with respect to such holder's Stockholder Shares.

(e) If the Company or the holders of the Company's securities enter into any negotiation or transaction for which Rule 506 (or any similar rule then in effect) promulgated by the Securities Exchange Commission may be available with respect to such negotiation or transaction (including a merger, consolidation or other reorganization), the holders of Stockholder Shares shall at the request of the Company, appoint a "purchaser representative" (as such term is defined in Rule 501) reasonably acceptable to the Company. If any holder of Stockholder Shares appoints a purchaser representative designated by the Company, the Company shall pay the fees of such purchaser representative. However, if any holder of Stockholder Shares declines to appoint the purchaser representative designated by the Company, such holder shall appoint another purchaser representative (reasonably acceptable to the Company), and such holder shall be responsible for the fees of the purchaser representative so appointed.

(f) Subject to Section 4(e), each holder of Stockholder Shares shall, to the extent requested by the Company, pay such holder's pro rata share of the expenses incurred by the holders in connection with an Approved Sale.

5. Holdback Agreement. No Executive or any of his Permitted Transferees shall effect any public sale or distribution of any Stockholder Shares or of any other capital stock or equity securities of the Company, or any securities convertible into or exchangeable or exercisable for such stock or securities, for such period of time from and after the effective date of any underwritten Demand Registration or any underwritten Piggyback Registration (as such terms are defined in the Registration Agreement) as the Company and the underwriters managing the registration request (the "**Market Stand-Off**"). In order to enforce the Market Stand-Off, the Company may impose stop-transfer instructions with respect to Stockholder Shares until the end of the Market Stand-Off. The restrictions on the transfer of Stockholder Shares set forth in this Section 5 shall continue with respect to each Stockholder Share until the date on which such Stockholder Share has been transferred in a Public Sale.

6. Preemptive Rights.

(a) Except for issuances of equity securities or securities or instruments containing equity-like features (i) in the form of Company Class A Common Stock or options to acquire Company Class A Common Stock to employees, directors or consultants of the Company or any of its Subsidiaries, (ii) upon the conversion, recapitalization or reorganization of any securities of the Company, (iii) as consideration for the acquisition of or investment in another company or business (whether through a purchase of securities, a merger, consolidation, purchase of assets or otherwise), including, without limitation, joint ventures and strategic alliances, (iv) pursuant to a registered public offering of Company Class A Common Stock under the Securities Act, (v) as additional yield or return in respect of institutional indebtedness for borrowed money, (vi) as a dividend or other distribution in respect of the Company's equity securities or (vii) in connection with a stock split or similar event, if the Company authorizes the issuance or sale of any shares of Company Class A Common Stock or any other equity securities of the Company or any securities, options or other rights to acquire any shares of Company Class A Common Stock or other equity securities of the Company (any such securities or rights referred to herein as "***Additional Securities***"), the Company shall first offer to sell to each holder of Stockholder Shares (other than shares of Company Class A Common Stock issued or issuable upon exercise of stock options (such shares referred to herein collectively as "***Option Shares***")) a portion of such Additional Securities equal to the quotient determined by dividing (A) the number of shares of Company Class A Common Stock (other than Option Shares) held by such holder by (B) the total number of shares of Company Class A Common Stock outstanding on a fully-diluted basis (assuming exercise of all outstanding rights to acquire shares of Company Class A Common Stock); provided that such offer shall be made only to the holders of Stockholder Shares that are "accredited investors" under Regulation D of the Securities Act, or the Company otherwise consents to such holders' participation under this Section 6; and provided further that, if such Additional Securities are being offered in combination with other securities of the Company, the Persons exercising rights pursuant to this Section 6 shall also be required to purchase the same strip of securities on the same terms and conditions as being offered by the Company. Holders of Stockholder Shares (other than Option Shares) shall be entitled to purchase such Additional Securities at the same price and on the same terms as such Additional Securities are to be offered to any other Persons. The purchase price for all Additional Securities so offered to the holders of Stockholder Shares hereunder shall be payable in cash.

(b) In order to exercise their purchase rights hereunder, each holder of Stockholder Shares (other than Option Shares) shall, within 10 days after receipt of written notice from the Company describing in reasonable detail the stock or securities being offered, the purchase price thereof, the payment terms and such holder's percentage allotment, deliver a written notice to the Company describing such holder's election hereunder.

(c) Upon the expiration of the offering period described above, the Company shall be entitled to sell such Additional Securities that the holders of Stockholder Shares have not elected to purchase during the 90 days following such expiration on terms and conditions no more favorable to the purchasers thereof than those offered to such holders. Any such Additional Securities offered or sold by the Company after such 90-day period shall be reoffered to the holders of Stockholder Shares (other than Option Shares) pursuant to the terms of this Section 6.

7. Anti-Takeover Measures. Prior to the commencement of the initial public offering of shares of the Company's Company Class A Common Stock registered under the Securities Act, MDCP shall request that the Board adopt reasonable and customary anti-takeover measures, except to the extent that (i) the Board in the observance of its fiduciary duties determines that any such measures are not in the best interests of the Company's stockholders or (ii) the Company's underwriters managing the public offering advise the Company that any such measures will adversely affect execution of such offering or the price to be obtained in such offering.

8. Covenants.

(a) Financial Statements and Other Information. The Company shall deliver to each Investor and its Qualified Permitted Transferees (so long as such Investor and its Permitted Transferees in the aggregate hold at least 4% of the Company's outstanding Company Class A Common Stock):

(i) within 45 days after the end of each quarterly accounting period in each fiscal year, a consolidated statement of income of the Company and its Subsidiaries for such quarterly period and for the period from the beginning of the fiscal year to the end of such quarter;

(ii) within the earlier of 90 days after the end of each fiscal year or upon filing an annual report on Form 10-K with the Securities and Exchange Commission, annual consolidated statements of income and cash flows of the Company and its Subsidiaries for such fiscal year, and a consolidated balance sheet of the Company and its Subsidiaries as of the end of such fiscal year, setting forth in each case comparisons to the preceding fiscal year, all prepared in accordance with generally accepted accounting principles, consistently applied, and accompanied by an audit opinion from an independent accounting firm of recognized national standing;

(iii) within 30 days after the beginning of each fiscal year, an annual budget prepared on a monthly basis for the Company and its Subsidiaries for such fiscal year (displaying anticipated statements of income and cash flows and balance sheets);

(iv) promptly after filing thereof, all regular and special reports filed by the Company or any of its Subsidiaries with the Securities and Exchange Commission or any exchange on which the Company Class A Common Stock is listed; and

(v) promptly upon release thereof, all public announcements made by the Company or any of its Subsidiaries.

(b) Inspection of Property. The Company shall permit any representatives designated by any Investor, upon reasonable notice during normal business hours and for a proper business purpose, to (i) visit and inspect any of the properties of the Company and its Subsidiaries and examine the corporate and financial records of the Company and its Subsidiaries, so long as such Investor and its Permitted Transferees owns any Company Class A Common Stock, and (ii) so long as such Investor and its Permitted Transferees in the aggregate own at least 4% of the Company's outstanding Company Class A Common Stock, discuss the affairs, finances and accounts of the Company with the officers of the Company.

(c) Current Public Information. At all times after the Company has filed a registration statement with the Securities and Exchange Commission pursuant to the requirements of either the Securities Act or the Securities Exchange Act with respect to its Company Class A Common Stock, the Company shall file all material reports required to be filed by it under the Securities Act and the Securities Exchange Act and the rules and regulations adopted by the Securities and Exchange Commission thereunder, all to the extent required to enable the Investors to sell shares of Company Class A Common Stock pursuant to Rule 144 adopted by the Securities and Exchange Commission under the Securities Act (as such rule may be amended from time to time) or any similar rule or regulation hereafter adopted by the Securities and Exchange Commission.

(d) Required Approvals of the Mitchell Investors.

(1) So long as the Mitchell Investors and their Permitted Transferees in the aggregate own at least 9% of the Company's outstanding Company Class A Common Stock, the Company shall not, without the prior written consent of the holders of a majority of the shares of Company Class A Common Stock held by all of the Mitchell Investors and their Qualified Permitted Transferees (which consent shall not be unreasonably withheld or delayed):

(i) declare or pay any dividends or make any distributions upon any shares of its capital stock, except for dividends declared and paid after the third anniversary of the date of the Original Agreement on a pro rata basis on the outstanding shares of Company Class A Common Stock;

(ii) redeem, purchase or otherwise acquire any shares of its capital stock, except for repurchases after the third anniversary of the date of the Original Agreement of Company Class A Common Stock made pursuant to an offer to all holders of Company Class A Common Stock on a pro rata basis and except for repurchases of Company Class A Common Stock from employees, directors and consultants and former employees, directors and consultants of the Company and its Subsidiaries in connection with termination of employment pursuant to arrangements approved by the Board;

(iii) merge or consolidate with any Person, unless (a) immediately following the consummation of such transaction, the stockholders of the Company immediately prior to the consummation of such transaction continue to own in the aggregate the outstanding capital stock of the surviving entity possessing the voting power to elect a majority of the surviving entity's board of directors or other governing body or (b) the consideration received by the holders of the Company Class A Common Stock as a result of such transaction consists solely of cash, cash equivalents, shares of capital stock of the surviving entity which have been registered under the Securities Act in connection with such transaction and/or shares of capital stock of the surviving entity which have not been registered under the Securities Act, but which are of a class of securities registered under the Securities Exchange Act and are entitled to demand, S-3 and piggyback registration rights substantially similar as those contained in the Registration Agreement (provided that if the consideration received by the Investors in such transaction consists of cash or cash equivalents and shares of capital stock issued by any Person engaged in the motion picture exhibition industry other than the Company, the Mitchell Investors and their Permitted Transferees shall be entitled to receive (at their election) 120% of the cash and cash equivalents such Mitchell Investors and their Permitted Transferees would have otherwise been entitled to receive on a pro rata basis and the amount of securities such Mitchell Investors and their Permitted Transferees would have been entitled to receive on a pro rata basis shall be correspondingly reduced);

(iv) sell all or substantially all of its assets, unless the consideration received by the holders of the Company Class A Common Stock as a result of such transaction consists solely of cash, cash equivalents, shares of capital stock which have been registered under the Securities Act in connection with such transaction and/or shares of capital stock which have not been registered under the Securities Act, but which are of a class of securities registered under the Securities Exchange Act and are entitled to demand, S-3 and piggyback registration rights substantially similar as those contained in the Registration Agreement (provided that if the consideration received by the Investors in such transaction consists of cash or cash equivalents and shares of capital stock issued by any Person engaged in the motion picture exhibition industry other than the Company, the Mitchell Investors and their Permitted Transferees shall be entitled to receive (at their election) 120% of the cash and cash equivalents such Mitchell Investors and their Permitted Transferees would have otherwise been entitled to receive on a pro rata basis and the amount of securities such Mitchell Investors and their Permitted Transferees would have been entitled to receive on a pro rata basis shall be correspondingly reduced);

(v) acquire (by merger, consolidation, or otherwise) any company that is not primarily engaged in the motion picture exhibition business or activities related to the current lines of businesses in which the Company or any of its Subsidiaries is engaged at the time of the consummation of the transactions contemplated by the Merger Agreement;

(vi) amend the Company's Certificate of Incorporation or the Company's bylaws if such amendment would have an adverse effect on the terms of the Company Class A Common Stock held by the Mitchell Investors and their Permitted Transferees which is different from the adverse effect on the other holders of Company Class A Common Stock;

(vii) issue or sell any shares of capital stock which are senior to the Company Class A Common Stock with respect to dividends, redemption or distributions in liquidation or which have voting rights different from the Company Class A Common Stock, unless such securities are issued or sold at no less than fair market value as determined by the Board in its reasonable judgment and the Investors and their Permitted Transferees (if such Permitted Transferees are not otherwise Investors) have the right to participate in such offering under the provisions of Section 6 of this Agreement;

(viii) enter into, amend or modify any agreement, transaction, commitment or arrangement with MDCP or any of its Affiliates, except for the execution, delivery and performance of the other agreements and arrangements contemplated by this Agreement or the Syufy Contribution Agreement, except for any agreements, transactions, commitments and arrangements approved by a majority of the disinterested directors on the Board who are not affiliated with MDCP and except for the issuance of securities in which the Investors and their Permitted Transferees (if such Permitted Transferees are not otherwise Investors) have the right to participate under Section 6 of this Agreement; or

(ix) incur, or permit any Subsidiary to incur, any indebtedness for borrowed money (other than borrowings under, or refinancings or replacements of, the loan facilities of the Company and its Subsidiaries existing as of the effectiveness of the Merger under the Merger Agreement) which would cause the Debt-to-EBITDA Ratio to exceed 4.75:1, unless at the time of such incurrence the Company or any of its Subsidiaries has defaulted under any of its agreements creating indebtedness for borrowed money.

(2) So long as the Mitchell Investors and their Permitted Transferees in the aggregate own at least 4% of the outstanding Company Class A Common Stock (except in the case of clause (i) below, the required percentage shall be 1%), the Company shall not, without the prior written consent of the holders of a majority of the shares of Company Class A Common Stock held by the Mitchell Investors and their Qualified Permitted Transferees (which consent, shall not be unreasonably withheld or delayed):

(i) amend the Company's Certificate of Incorporation or the Company's bylaws if such amendment would have an adverse effect on the Mitchell Investors and their Permitted Transferees which is different from any adverse effect on any other holder of Company Class A Common Stock;

(ii) enter into, amend or modify any agreement, transaction, commitment or arrangement with MDCP or any of its Affiliates, except for (A) transactions on arm’s length terms and conditions, (B) the execution, delivery and performance of the other agreements and arrangements specifically contemplated by this Agreement (including, without limitation, the Quadrangle Purchase Agreement and the Syufy Contribution Agreement), and (c) the issuance of securities in which the Investors and their Permitted Transferees (if such Permitted Transferees are not otherwise Investors) have the right to participate under Section 6 of this Agreement.

(iii) redeem, repurchase or otherwise acquire any Stockholder Shares held by MDCP or its respective Affiliates or Permitted Transferees unless at the same time the Company offers to purchase Stockholder Shares from the Mitchell Investors and their Permitted Transferees on the same terms and conditions and on a pro rata basis according to the number of Stockholder Shares owned by each holder thereof;

(iv) cause or permit the Company to be taxed other than as a corporation for income tax purposes including, without limitation, taking any action that would cause the Company to be taxed as a partnership (whether general or limited), limited liability company, or other similar entity taxed under subchapter K or subchapter S of the Code (or any comparable provision of state, local or foreign income tax law) or otherwise treated as an entity not generally taxed at the entity-level under the Code (or any comparable provision of state, local or foreign income tax law); or

(v) merge or consolidate with any Person or sell all or substantially all of the assets of the Company unless in any such merger, consolidation or sale of all or substantially all of the assets of the Company (A) immediately following the consummation of such transaction, the stockholders of the Company immediately prior to the consummation of such transaction continue to own in the aggregate the outstanding capital stock of the surviving entity possessing the voting power to elect a majority of the surviving entity’s board of directors or other governing body (and a majority of the stockholders of the Company immediately after the consummation of such transaction will take reasonable actions to obtain rights for the Mitchell Investors that are substantially similar to the rights of the Mitchell Investors under this Agreement, provided that such post-transaction rights will be deemed to be “substantially similar” for this purpose even if parties other than the Mitchell Investors are granted greater rights than or the same rights with more favorable terms (including without limitation with respect to the scope, quantity, priority or duration of, or restrictions on, such rights) as the Mitchell Investors have under this Agreement), (B) the Mitchell Investors receive rights substantially similar to their rights under, and are not subject to transfer restrictions more restrictive than those contained in, Sections 3, 4 and 5 of this Agreement and under the Registration Agreement (as in effect at the time of such transaction), (C) the Mitchell Investors receive exit rights (including registration rights), and are subject to transfer restrictions, substantially similar in terms and conditions (including where applicable, in proportion) to any such rights or restrictions that MDCP and its Permitted Transferees receive or are subject to in such merger, consolidation or sale of all or substantially all of the assets of the Company or (D) the Mitchell Investors are given the right to receive cash, cash equivalents or shares of capital stock which have been registered under the Securities Act and the Mitchell Investors so elect.

(e) Required Approvals of the Quadrangle Investors. So long as the Quadrangle Investors and their Permitted Transferees in the aggregate own at least 4% of the outstanding Company Class A Common Stock (except in the case of clause (i) below, the required percentage shall be 1%), the Company shall not, without the prior written consent of the holders of a majority of the shares of Company Class A Common Stock held by the Quadrangle Investors and their Qualified Permitted Transferees (which consent, shall not be unreasonably withheld or delayed):

(i) amend the Company's Certificate of Incorporation or the Company's bylaws if such amendment would have an adverse effect on the Quadrangle Investors and their Permitted Transferees which is different from any adverse effect on any other holder of Company Class A Common Stock;

(ii) enter into, amend or modify any agreement, transaction, commitment or arrangement with MDCP or any of its Affiliates, except for (A) transactions on arm's length terms and conditions, (B) the execution, delivery and performance of the other agreements and arrangements specifically contemplated by this Agreement (including, without limitation, the Quadrangle Purchase Agreement), and (C) the issuance of securities in which the Investors and their Permitted Transferees (if such Permitted Transferees are not otherwise Investors) have the right to participate under Section 6 of this Agreement;

(iii) redeem, repurchase or otherwise acquire any Stockholder Shares held by MDCP or its Affiliates or Permitted Transferees unless at the same time the Company offers to purchase Stockholder Shares from the Quadrangle Investors and their Permitted Transferees on the same terms and conditions and on a pro rata basis according to the number of Stockholder Shares owned by each holder thereof;

(iv) cause or permit the Company to be taxed other than as a corporation for income tax purposes including, without limitation, taking any action that would cause the Company to be taxed as a partnership (whether general or limited), limited liability company, or other similar entity taxed under subchapter K or subchapter S of the Code (or any comparable provision of state, local or foreign income tax law) or otherwise treated as an entity not generally taxed at the entity-level under the Code (or any comparable provision of state, local or foreign income tax law); or

(v) merge or consolidate with any Person or sell all or substantially all of the assets of the Company unless in any such merger, consolidation or sale of all or substantially all of the assets of the Company (A) immediately following the consummation of such transaction, the stockholders of the Company immediately prior to the consummation of such transaction continue to own in the aggregate the outstanding capital stock of the surviving entity possessing the voting power to elect a majority of the surviving entity's board of directors or other governing body (and a majority of the stockholders of the Company immediately after the consummation of such transaction will take reasonable actions to obtain rights for the Quadrangle Investors that are substantially similar to the rights of the Quadrangle Investors under this Agreement, provided that such post-transaction rights will be deemed to be "substantially similar" for this purpose even if parties other than the Quadrangle Investors are granted greater rights than or the same rights with more favorable terms (including without limitation with respect to the scope, quantity, priority or duration of, or restrictions on, such rights), (B) the Quadrangle Investors receive rights substantially similar to their rights under, and are not subject to transfer restrictions more restrictive than those contained in, Sections 3, 4 and 5 of this Agreement and under the Registration Agreement (as in effect at the time of such transaction), (C) the Quadrangle Investors receive exit rights (including registration rights), and are subject to transfer restrictions, substantially similar in terms and conditions (including where applicable, in proportion) to any such rights or restrictions that MDCP and its Permitted Transferees receive or are subject to in such merger, consolidation or sale of all or substantially all of the assets of the Company or (D) the Quadrangle Investors are given the right to receive cash, cash equivalents or shares of capital stock which have been registered under the Securities Act and the Quadrangle Investors so elect.

(f) Required Approvals of the Syufy Investor. So long as the Syufy Investor and its Permitted Transferees in the aggregate own at least 4% of the outstanding Company Class A Common Stock (except in the case of clause (i) below, the required percentage shall be 1%), the Company shall not, without the prior written consent of the holders of a majority of the shares of Company Class A Common Stock held by the Syufy Investor and its Qualified Permitted Transferees (which consent, shall not be unreasonably withheld or delayed):

(i) amend the Company's Certificate of Incorporation or the Company's bylaws if such amendment would have an adverse effect on the Syufy Investor and its Permitted Transferees which is different from any adverse effect on any other holder of Company Class A Common Stock;

(ii) enter into, amend or modify any agreement, transaction, commitment or arrangement with MDCP or any of its Affiliates, except for (A) transactions on arm's length terms and conditions, (B) the execution, delivery and performance of the other agreements and arrangements specifically contemplated by this Agreement (including, without limitation, the Quadrangle Purchase Agreement and the Syufy Contribution Agreement), and (C) the issuance of securities in which the Investors and their Permitted Transferees (if such Permitted Transferees are not otherwise Investors) have the right to participate under Section 6 of this Agreement;

(iii) redeem, repurchase or otherwise acquire any Stockholder Shares held by MDCP or its Affiliates or Permitted Transferees unless at the same time the Company offers to purchase Stockholder Shares from the Syufy Investor and its Permitted Transferees on the same terms and conditions and on a pro rata basis according to the number of Stockholder Shares owned by each holder thereof; or

(iv) merge or consolidate with any Person or sell all or substantially all of the assets of the Company unless in any such merger, consolidation or sale of all or substantially all of the assets of the Company (A) immediately following the consummation of such transaction, the stockholders of the Company immediately prior to the consummation of such transaction continue to own in the aggregate the outstanding capital stock of the surviving entity possessing the voting power to elect a majority of the surviving entity's board of directors or other governing body (and a majority of the stockholders of the Company immediately after the consummation of such transaction will take reasonable actions to obtain rights for the Syufy

Investor that are substantially similar to the rights of the Syufy Investor under this Agreement, provided that such post-transaction rights will be deemed to be "substantially similar" for this purpose even if parties other than the Syufy Investor are granted greater rights than or the same rights with more favorable terms (including without limitation with respect to the scope, quantity, priority or duration of, or restrictions on, such rights), (B) the Syufy Investor receives rights substantially similar to their rights under, and are not subject to transfer restrictions more restrictive than those contained in, Sections 3, 4 and 5 of this Agreement and under the Registration Agreement (as in effect at the time of such transaction), (C) the Syufy Investor receives exit rights (including registration rights), and are subject to transfer restrictions, substantially similar in terms and conditions (including where applicable, in proportion) to any such rights or restrictions that MDCP and its Permitted Transferees receive or are subject to in such merger, consolidation or sale of all or substantially all of the assets of the Company or (D) the Syufy Investor is given the right to receive cash, cash equivalents or shares of capital stock which have been registered under the Securities Act and the Syufy Investor so elects.

(g) Confidentiality. Each Investor shall not disclose to any Person (other than such Investor's employees, agents and advisors who have a need to know) and shall not use for any purpose other than monitoring such Investor's investment in the Company, and shall cause its employees, agents and advisors to maintain the confidentiality of, all of the information obtained pursuant to Sections 8(a) and (b) of this Agreement, unless (a) such information was or becomes publicly available through no fault of such Investor, its Affiliates or Permitted Transferees or their employees, agents or advisors or (b) the disclosure of such information is compelled by legal proceedings. In the event that any Investor is requested or required (by oral question or request for information or documents in any legal proceeding, interrogatory, subpoena, civil investigative demand or similar process) to disclose any such information, such Investor will notify the Board promptly of the request or requirement so that the Company may seek an appropriate protective order or other appropriate relief or waive compliance with this provision. In the absence of a protective order or the Investor's receiving such waiver from the Company, the Investor will be permitted to disclose that portion (and only that portion) of the information that the Investor is legally compelled by the tribunal to disclose; provided, however, that the Investor shall use commercially reasonable efforts to obtain an order or other assurance that confidential treatment will be accorded to such portion of the information required to be disclosed as the Company shall designate.

(h) Termination. All of the provisions of Sections 8(d), (e) and (f) shall terminate and be of no further force or effect upon the effective date of an Initial Public Offering of the Company's Company Class A Common Stock registered under the Securities Act. The provisions of paragraphs (a), (b), (d), (e) and (f) of this Section 8 are not transferable or assignable by any Investor to any subsequent holder of any Company Class A Common Stock purchased hereunder (except in the case of a transfer to another Investor or a Qualified Permitted Transferee of the transferor), and upon the transfer of any Investor's Company Class A Common Stock (except in the case of a transfer to another Investor or a Qualified Permitted Transferee of the transferor), such provisions shall terminate with respect to such transferred shares. If at any time the Mitchell Investors own, directly or indirectly, more than a 5% interest in the aggregate of any business that owns, operates or manages theatres with more than an aggregate of 800 screens in the Western Hemisphere, the Mitchell Investors shall not be entitled to (i) receive any information under Section 8(a), except that if the Company is not a reporting company registered under the Securities Exchange Act, the Mitchell Investors shall continue to receive the Company's annual consolidated financial statements together with a letter from the Company's management describing material developments at the Company, (ii) exercise any rights under Section 8(b), except that the Mitchell Investors shall retain their statutory inspection rights under Delaware law, or (iii) after the third anniversary of the Merger, exercise any approval rights under Section 8(d). If at any time there is a Termination Event (as determined under Section 1(c)(iv) above), the Syufy Investor shall not be entitled to (i) receive any information under Section 8(a), except that if the Company is not a reporting company registered under the Securities Exchange Act, the Syufy Investor shall continue to receive the Company's annual consolidated financial statements together with a letter from the Company's management describing material developments at the Company, or (ii) exercise any rights under Section 8(b), except that the Syufy Investor shall retain its statutory inspection rights under Delaware law. In the event that the rights of the Syufy Investor terminate by reason of a Curable Termination Event, the Syufy Investor shall have the right to cure such Curable Termination Event and such rights shall be reinstated at such time as there is no longer a Curable Termination Event in effect. If at any time the Syufy Investor, Raymond W. Syufy or Joseph Syufy breach the terms of the Syufy Non-Competition Agreement, the Syufy Investor shall not be entitled to exercise any approval rights under Section 8(f).

9. Reallocation of Sale Bonus Shares. For each Executive, a portion of the total number of shares of Company Class A Common Stock owned by such Executive immediately following the effectiveness of the Merger as specified below constitute "***Sale Bonus Shares***" hereunder (including therewith all shares of capital stock of the Company issued or issuable with respect thereto by way of stock dividend or stock split or in connection with a combination of shares, recapitalization, merger, consolidation or other reorganization affecting the Company Class A Common Stock):

	Sale Bonus Shares
Michael Cavalier	37,891
Robert Copple	49,901
Alan Stock	50,149
Timothy Warner	55,826

If prior to April 2, 2007 (the "***Third Anniversary***") any Executive's employment with the Company terminates as a result of Cause or Voluntary Termination (as such terms are defined in each such Executive's New Employment Agreement), all of such Executive's Sale Bonus Shares shall be automatically forfeited and the stock certificates representing such shares shall be immediately surrendered by Executive to the Company endorsed in blank or accompanied by an appropriate form of assignment. Upon receipt of such certificate(s), the Company shall promptly reissue the Sale Bonus Shares represented by such certificate(s) to the other Executives that at such time continue to hold Sale Bonus Shares on a pro rata basis in accordance with the number of Sale Bonus Shares owned by such Executives immediately prior to the termination of such other Executive's employment. Prior to the Third Anniversary, the Sale Bonus Shares may not be transferred by any Executive (except to members of such Executive's Family Group), and during such period, the certificates evidencing such shares shall be imprinted with the following legend:

"THE SECURITIES REPRESENTED BY THIS CERTIFICATE ARE DESIGNATED AS "SALE BONUS SHARES" UNDER, AND ARE SUBJECT TO THE TERMS OF, THE SECOND AMENDED AND RESTATED STOCKHOLDERS AGREEMENT, DATED AS OF AUGUST 7, 2006, AMONG THE ISSUER OF SUCH SECURITIES (THE "COMPANY") AND CERTAIN OF THE COMPANY'S STOCKHOLDERS, AS AMENDED FROM TIME TO TIME. A COPY OF SUCH AMENDED AND RESTATED STOCKHOLDERS AGREEMENT SHALL BE FURNISHED WITHOUT CHARGE BY THE COMPANY TO THE HOLDER HEREOF UPON WRITTEN REQUEST. ANY PURPORTED TRANSFER OF THESE SECURITIES NOT IN ACCORDANCE WITH SUCH AMENDED AND RESTATED STOCKHOLDERS AGREEMENT SHALL BE INVALID AND THE COMPANY SHALL NOT RECORD SUCH TRANSFER ON ITS BOOKS."

Each Executive filed a Section 83(b) election with the Internal Revenue Service with respect to such Executive's Sale Bonus Shares within 30 days of the effectiveness of the Merger.

10. Legend. Each certificate evidencing Stockholder Shares and each certificate issued in exchange for or upon the transfer of any Stockholder Shares (if such shares remain Stockholder Shares after such transfer) shall be stamped or otherwise imprinted with a legend in substantially the following form:

"THE SECURITIES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO THE SECOND AMENDED AND RESTATED STOCKHOLDERS AGREEMENT DATED AS OF AUGUST 7, 2006, AMONG THE ISSUER OF SUCH SECURITIES (THE "COMPANY") AND CERTAIN OF THE COMPANY'S STOCKHOLDERS, AS AMENDED AND MODIFIED FROM TIME TO TIME. A COPY OF SUCH AMENDED AND RESTATED STOCKHOLDERS AGREEMENT SHALL BE FURNISHED WITHOUT CHARGE BY THE COMPANY TO THE HOLDER HEREOF UPON WRITTEN REQUEST. ANY PURPORTED TRANSFER OF THESE SECURITIES NOT IN ACCORDANCE WITH SUCH AMENDED AND RESTATED STOCKHOLDERS AGREEMENT SHALL BE INVALID AND THE COMPANY SHALL NOT RECORD SUCH TRANSFER ON ITS BOOKS."

The Company shall imprint such legend on certificates evidencing Stockholder Shares outstanding as of the date of this Agreement, and the Stockholders shall surrender their stock certificates to the Company for such purpose. The legend set forth above shall be removed from the certificates evidencing any shares which cease to be Stockholder Shares as provided in the definition of such term in Section 13 hereof.

11. Transferees Bound. Prior to Transferring any Stockholder Shares (other than in connection with a Public Sale or a Sale of the Company) to any Person, the transferring holder of Stockholder Shares shall cause the prospective transferee to be bound by this Agreement and to execute and deliver to the Company and the other Stockholders a counterpart of this Agreement.

12. Effectiveness.

(a) The parties are entering into this Agreement in connection with the transactions contemplated by the Acquisition. This Agreement shall become automatically effective upon, and only upon, the closing of the Acquisition, at which time the First Amended Agreement shall terminate automatically and be of no further force and effect. In the event the Acquisition is not consummated and the Century Stock Purchase Agreement is terminated, this Agreement shall become null and void and of no further force and effect.

(b) Upon the distribution of the Century Shares to the Syufy Investor by CTH, CTH will cease to be a party to this Agreement and thereafter will have no further rights or obligations hereunder, and the Syufy Investor will become a Stockholder hereunder.

13. Definitions.

"***Additional Securities***" has the meaning set forth in Section 6(a).

"***Affiliate***" of any Person is any other Person controlled by, controlling or under common control with such Person and in the case of any Stockholder that is a partnership or limited liability company, any partner or member of such Stockholder (provided that the Company shall not be deemed to be an affiliate of any Stockholder) or in the case of any Stockholder that is a trust, any beneficiary, trust for the benefit of the beneficiary or successor trust; provided that under no circumstances shall (i) any of the Mitchell Investors or their Permitted Transferees be Affiliates of (A) any of the Quadrangle Investors or their Permitted Transferees or (B) any of the Syufy Investor or their Permitted Transferees, (ii) any of the Quadrangle Investors or their Permitted Transferees be Affiliates of (A) any of the Mitchell Investors or their Permitted Transferees or (B) any of the Syufy Investor or their Permitted Transferees, or (iii) any of the Syufy Investor or their Permitted Transferees be Affiliates of (A) any of the Mitchell Investors or their Permitted Transferees or (B) any of the Quadrangle Investors or their Permitted Transferees, for purposes of this Agreement.

"***Available Shares***" has the meaning set forth in Section 3(c)(iii).

"***Board***" has the meaning set forth in the preamble.

“***Capital Lease Obligations***” shall mean the obligations of the Company or its Subsidiaries to pay rent or other amounts under any lease of (or other arrangement conveying the right to use) real or personal property, or a combination thereof, which obligations are required to be classified and accounted for as capital leases on the Company or its Subsidiaries’ balance sheet under GAAP; and, for the purposes of this Agreement, the amount of such obligations at any time shall be the capitalized amount thereof at such time determined in accordance with GAAP provided that Capital Lease obligations shall exclude the application of Emerging Issues Task Force Regulation 97-10 or similar pronouncement.

“***Company Class A Common Stock***” means, the Company’s Class A Common Stock, par value $0.001 per share.

“***Company Preferred Stock***” means the Company’s Preferred Stock, having the rights set forth under the Company’s Amended and Restated Certificate of Incorporation.

“***Code***” means the Internal Revenue Code of 1986, as amended.

“***Company***” has the meaning set forth in the preamble.

“***Company Election Notice***” has the meaning set forth in Section 3(c)(ii).

“***Company Offer Period***” has the meaning set forth in Section 3(c)(ii).

“***Competitor***” means any Person that directly or indirectly owns, operates or manages theatres with an aggregate of more than 50 movie screens, each of which movie screens is used for the primary purpose of exhibiting commercially distributed full-length motion pictures movie theatres and any Affiliate of such Person.

“***Competitor Sale Election Notice***” has the meaning set forth in Section 3(d)(ii).

“***Competitor Sale Election Period***” has the meaning set forth in Section 3(d)(i).

“***Competitor Sale Offer Period***” has the meaning set forth in Section 3(d)(ii).

“***Competitor Sale Offer Notice***” has the meaning set forth in Section 3(d)(i).

“***Consolidated EBITDA***” shall mean for any period, without duplication, Consolidated Net Income for such period plus, to the extent reflected as a charge in the statement of such Consolidated Net Income for such period, the sum of (a) income tax expense, (b) Consolidated Interest Expense, amortization or write-off of debt discount and debt issuance costs and commissions, discounts and other fees and charges associated with Indebtedness, (c) depreciation and amortization expense, (d) amortization of intangibles (including, but not limited to, goodwill) and organization costs, (e) any extraordinary, unusual or non-recurring expenses or losses (including, whether or not otherwise includable as a separate item in the statement of such Consolidated Net Income for such period, net losses on sales of assets outside of the ordinary course of business), (f) any minority interest deduction, and (g) any other non-cash charges, and minus, to the extent included in the statement of such Consolidated Net Income for such period, the sum of (a) interest income (except to the extent deducted in determining Consolidated Interest Expense), (b) any extraordinary, unusual or non-recurring income or gains (including, whether or not otherwise includable as a separate item in the statement of such Consolidated Net Income for such period, net gains on sales of assets outside of the ordinary course of business), and (c) any other non-cash income, all as determined on a consolidated basis; provided that for purposes of calculating Consolidated EBITDA of the Company and its Subsidiaries for any period:

(i) the Consolidated EBITDA of any Person acquired by the Company or its Subsidiaries during such period shall be included on a pro forma basis (including any items which are permitted to be added back to Consolidated Net Income under Regulation SX and any other identifiable cost savings resulting from any such acquisition as well as the incremental EBITDA associated with the annualized run-rate of theatres operated by the acquired Person for less than one year prior to the date of acquisition, excluding any theatres opened for less than six months) for such period (assuming the consummation of such acquisition and the incurrence or assumption of any Indebtedness in connection therewith had occurred on the first day of such period and without giving effect to clause (a) of the proviso set forth in the definition of Consolidated Net Income) if the consolidated balance sheet of such acquired Person and its consolidated Subsidiaries as at the end of the fiscal year preceding the acquisition of such Person and the related consolidated statements of income and stockholders' equity and of cash flows for the period in respect of which Consolidated EBITDA is to be calculated have been reported on without a qualification arising out of the scope of the audit by independent certified public accountants of nationally recognized standing or have been found reasonably acceptable by the Mitchell Investors; and

(ii) the Consolidated EBITDA of any Subsidiary disposed of by the Company or its Subsidiaries during such period shall be excluded for such period (assuming the consummation of such disposition and the repayment of any Indebtedness in connection therewith had occurred on the first day of such period).

"***Consolidated Interest Expense***" shall mean for any period, total cash interest expense (including that attributable to Capital Lease Obligations) of the Company and its Subsidiaries for such period with respect to all outstanding Indebtedness of the Company and its Subsidiaries (including, without limitation, all commissions, discounts and other fees and charges owed by the Company with respect to letters of credit and bankers' acceptance financing and net costs of the Company under Hedge Agreements in respect of interest rates to the extent such net costs are allocable to such period in accordance with GAAP).

"***Consolidated Net Income***" shall mean for any period, the consolidated net income (or loss) of the Company and its Subsidiaries for such period, determined on a consolidated basis in accordance with GAAP; provided, that in calculating Consolidated Net Income of the Company and its Subsidiaries for any period, there shall be excluded (a) the income (or deficit) of any Person accrued prior to the date it becomes a Subsidiary of the Company or is merged into or consolidated with the Company or any of its Subsidiaries, and (b) the income (or deficit) of any Person (that is not a Subsidiary) in which the Company or any of its Subsidiaries has an ownership interest, except to the extent that any such income is actually received by the Company or such Subsidiary in the form of dividends or similar distributions or payment of principal or interest of inter-company Indebtedness.

"***Consolidated Total Debt***" shall mean at any date, the aggregate amount of all Indebtedness of the Company and its Subsidiaries at such date, determined on a consolidated basis in accordance with GAAP, excluding inter-company Indebtedness.

"***Debt-to-EBITDA Ratio***" means as at the last day of any period of four consecutive fiscal quarters of the Company, the ratio of (a) Consolidated Total Debt on such day to (b) Consolidated EBITDA for such period.

"***Election Period***" has the meaning set forth in the preamble.

"***Executives***" has the meaning set forth in the preamble.

"***Exempt Transfer***" has the meaning set forth in Section 3(b).

"***Family Group***" with respect to any Stockholder, means, such Stockholder's spouse and descendants (whether natural or adopted) and any trust that is and remains solely for the benefit of such Stockholder and/or such Stockholder's spouse and/or descendants.

"***GAAP***" shall mean generally accepted accounting principles in the United States of America as in effect from time to time.

"***Hedge Agreements***" shall mean all interest rate or currency swaps, caps or collar agreements, foreign exchange agreements, commodity contracts or similar arrangements entered into by the Company or its Subsidiaries providing for protection against fluctuations in interest rates, currency exchange rates, commodity prices or the exchange of nominal interest obligations, either generally or under specific contingencies. For avoidance of doubt, Hedge Agreements shall include any interest rate swap or similar agreement that provides for the payment by the Company or any of its Subsidiaries of amounts based upon a floating rate in exchange for receipt by the Company or such Subsidiary of amounts based upon a fixed rate.

"***Indebtedness***" shall mean at any date, without duplication, (a) all indebtedness of such Person for borrowed money, (b) all obligations of the Company or its Subsidiaries for the deferred purchase price of Property or services (other than trade payables incurred in the ordinary course of the Company's or its Subsidiaries' business), (c) all obligations of the Company or its Subsidiaries evidenced by notes, bonds, debentures or other similar instruments, (d) all indebtedness created or arising under any conditional sale or other title retention agreement with respect to Property acquired by the Company or its Subsidiaries (even though the rights and remedies of the seller or lender under such agreement in the event of default are limited to repossession or sale of such Property, provided that, in such event, the amount of such Indebtedness shall be deemed to be the value of the Property covered by such agreement), and (e) all Capital Lease Obligations or Synthetic Lease Obligations of the Company or its Subsidiaries. For purposes of clarification, "Indebtedness" shall not include accounts payable or accrued operating expenses of the Company or any of its Subsidiaries.

"***Independent Third Party***" means any Person other than MDCP or the Mitchell Investors.

"Initial Allocation" has the meaning set forth in Section 3(c)(iii).

"Initial Allocation Sum" has the meaning set forth in Section 3(c)(iii).

"***Initial Public Offering***" means an underwritten initial public offering of the Company's Company Class A Common Stock registered under the Securities Act resulting in the sale to the public of shares with an aggregate selling price of not less than $100 million.

"***Investor***" means each of MDCP, the Mitchell Investors, the Quadrangle Investors and the Syufy Investor and their respective Permitted Transferees.

"*Market Stand-Off*" has the meaning set forth in Section 5.

"***MDCP***" has the meaning set forth in the preamble.

"***MDCP Sale Election Notice***" has the meaning set forth in the Section 3(e).

"***MDCP Sale Notice***" has the meaning set forth in the Section 3(e).

"***MDCP Sale Period***" has the meaning set forth in the Section 3(e).

"***Merger***" has the meaning set forth in the preamble.

"***Merger Agreement***" means the Agreement and Plan of Merger, dated as of March 12, 2004, between the Company and Popcorn Merger Corp. pursuant to which Popcorn Merger Corp. merged with and into the Company, with the Company continuing as the surviving corporation.

"***Merger Consideration***" has the meaning set forth in the Merger Agreement.

"***Mitchell-Quadrangle-Syufy Election Notice***" has the meaning set forth in Section 3(d)(iii).

"***Mitchell Directors***" has the meaning set forth in Section 1(a)(ii)(A).

"***Mitchell Investors***" has the meaning set forth in the preamble.

"***Modification***" has the meaning set forth in Section 15.

"***New Employment Agreements***" means the Employment Agreements, dated as of the March 12, 2004, between the Company and each of Alan Stock, Timothy Warner, Robert Copple and Michael Cavalier.

"***Offer Notice***" has the meaning set forth in Section 3(c)(i).

"Offered Shares" has the meaning set forth in Section 3(c)(i).

"***Option Shares***" has the meaning set forth in Section 6(a).

"Original Agreement" has the meaning set forth in the preamble.

"***Other Stockholders***" has the meaning set forth in Section 3(e)(i).

"Participating Stockholder" has the meaning set forth in Section 3(c)(iii).

"***Permitted Transferee***" has the meaning set forth in Section 3(b).

"***Person***" means an individual, a partnership, a corporation, a limited liability company, an association, a joint stock company, a trust, a joint venture, an unincorporated organization and a governmental entity or any department, agency or political subdivision thereof.

"***Property***" shall mean any right or interest in or to property of any kind whatsoever, whether real, personal or mixed and whether tangible or intangible, including, without limitation, Capital Stock.

"Pro Rata Share" has the meaning set forth in Section 3(c)(iii).

"***Public Sale***" means any sale of Stockholder Shares to the public pursuant to an offering registered under the Securities Act or to the public through a broker, dealer or market maker on a securities exchange or in the over-the-counter market pursuant to the provisions of Rule 144 adopted under the Securities Act.

"***MDCP Purchase Agreement***" has the meaning set forth in the preamble.

"***Quadrangle Director***" has the meaning set forth in Section 1(a)(ii)(C).

"***Quadrangle Group, LLC***" means Quadrangle Group, LLC, a Delaware limited liability company.

"***Quadrangle Investors***" has the meaning set forth in the preamble.

"***Quadrangle Purchase Agreement***" has the meaning set forth in the preamble.

"***Qualified Permitted Transferee***" means (i) with respect to the Mitchell Investors, any Permitted Transferee of the Mitchell Investors and (ii) with respect to the Quadrangle Investors, any Person under common control with the Quadrangle Investors.

"***Registration Agreement***" means the Registration Agreement, dated as of August 7, 2006, among the Company, MDCP, the Mitchell Investors, the Quadrangle Investors, the Syufy Investor and the other signatories thereto, as may be further amended from time to time.

"***Remaining Available Shares***" has the meaning set forth in Section 3(c)(iii).

“***Remaining Participating Stockholder***” has the meaning set forth in Section 3(c)(iii).

“***Remaining Pro Rata Share***” has the meaning set forth in Section 3(c)(iii).

“***Sale Bonus Agreement***” means the Sale Bonus Agreement dated as of March 12, 2004, among the Company, the Executives and certain other shareholders of the Company.

“***Sale of the Company***” means the sale of the Company to an Independent Third Party or group of Independent Third Parties pursuant to which such party or parties acquire (i) capital stock of the Company or the surviving entity possessing the voting power under normal circumstances to elect a majority of the Company’s or the surviving entity’s board of directors or entitling such Person to exercise more than fifty percent (50%) of the total voting power of the shares of capital stock of the Company or the surviving entity entitled to vote (whether by merger, consolidation or sale or transfer of the Company’s capital stock) or (ii) all or substantially all of the Company’s assets determined on a consolidated basis.

“***Securities Act***” means the Securities Act of 1933, as amended from time to time.

“***Stockholders Election Notice***” has the meaning set forth in Section 3(c)(iii).

“***Stockholder Shares***” means (i) any Company Class A Common Stock owned by any Stockholder and (ii) any capital stock or other equity securities issued or issuable directly or indirectly with respect to the Company Class A Common Stock referred to in clause (i) above by way of stock dividend or stock split or in connection with a combination of shares, recapitalization, merger, consolidation or other reorganization. As to any particular shares constituting Stockholder Shares, such shares shall cease to be Stockholder Shares when they have been (x) effectively registered under the Securities Act and disposed of in accordance with the registration statement covering them or (y) sold to the public through a broker, dealer or market maker on a securities exchange or in the over-the-counter market pursuant to Rule 144 (or any similar provision then in force) under the Securities Act.

“***Stockholders***” has the meaning set forth in the preamble.

“***Subsidiary***” means, with respect to any Person, any corporation, limited liability company, partnership, association or other business entity of which (i) if a corporation, a majority of the total voting power of shares of stock entitled (without regard to the occurrence of any contingency) to vote in the election of directors, managers or trustees thereof is at the time owned or controlled, directly or indirectly, by that Person or one or more of the other Subsidiaries of that Person or a combination thereof, or (ii) if a limited liability company, partnership, association or other business entity, a majority of the limited liability company, partnership or other similar ownership interest thereof is at the time owned or controlled, directly or indirectly, by any Person or one or more Subsidiaries of that Person or a combination thereof. For purposes hereof, a Person or Persons shall be deemed to have a majority ownership interest in a limited liability company, partnership, association or other business entity if such Person or Persons shall be allocated a majority of limited liability company, partnership, association or other business entity gains or losses or shall be or control the managing director or general partner of such limited liability company, partnership, association or other business entity.

"***Synthetic Lease Obligations***" shall mean all monetary obligations of the Company or its Subsidiaries under (a) a so-called synthetic, off-balance sheet or tax retention lease, or (b) an agreement for the use or possession of property creating obligations which do not appear on the balance sheet of the Company or its Subsidiaries but which, upon the insolvency or bankruptcy of the Company or its Subsidiaries, would be characterized as the Indebtedness of the Company or its Subsidiaries (without regard to accounting treatment).

"***Syufy Director***" has the meaning set forth in Section 1(a)(ii)(D).

"***Syufy Enterprises***" means Syufy Enterprises, LP, a California limited partnership.

"***Syufy Investor***" has the meaning set forth in the preamble.

"***Syufy Contribution Agreement***" has the meaning set forth in the preamble.

"***Transfer***" has the meaning set forth in Section 3(a).

"***Transferring Stockholder***" has the meaning set forth in Section 3(c).

"***Western Hemisphere***" means the continents of North America, Central America and South America.

14. Additional Parties; Joinder. The Company may permit any Person who acquires Company Class A Common Stock or rights to acquire Company Class A Common Stock after the date hereof (the "***Acquired Common***") to become a party to this Agreement and to succeed to all of the rights and obligations of a "holder of Stockholder Shares" under this Agreement by obtaining an executed joinder to this Agreement from such Person in the form of Exhibit A attached hereto. Upon the execution and delivery of the joinder by such Person, such Person's Acquired Common shall be Stockholder Shares hereunder, and such Person shall be a "holder of Stockholder Shares" under this Agreement with respect to the Acquired Common.

15. Amendment and Waiver. Except as otherwise provided herein, no modification, amendment or waiver of any provision of this Agreement (any such modification, amendment or waiver, referred to herein as a "***Modification***") shall be effective against the Company or any holder of Stockholder Shares unless such Modification is approved in writing by the Company and the holder or holders of a majority of the Stockholder Shares outstanding; provided that with respect to any Modification that adversely affects the rights hereunder of a particular group of holders of Stockholder Shares, each such group being the Mitchell Investors, the Quadrangle Investors, the Syufy Investor, the Executives and MDCP (in each case together with their respective Permitted Transferees), in any material respect different than the other groups of holders of Stockholder Shares, such Modification shall be effective against such particular group only if such Modification is approved in writing by the holder or holders of a majority of all of the Stockholder Shares held by such group. The failure of any party to enforce any of the

provisions of this Agreement shall in no way be construed as a waiver of such provisions and shall not affect the right of such party thereafter to enforce each and every provision of this Agreement in accordance with its terms.

16. Severability. Whenever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement is held to be invalid, illegal or unenforceable in any respect under any applicable law or rule in any jurisdiction, such invalidity, illegality or unenforceability shall not affect the validity, legality or enforceability of any other provision of this Agreement in such jurisdiction or affect the validity, legality or enforceability of any provision in any other jurisdiction, but this Agreement shall be reformed, construed and enforced in such jurisdiction as if such invalid, illegal or unenforceable provision had never been contained herein.

17. Entire Agreement. Except as otherwise expressly set forth herein, this Agreement embodies the complete agreement and understanding among the parties hereto with respect to the subject matter hereof and supersedes and preempts any prior understandings, agreements or representations by or among the parties, written or oral, which may have related to the subject matter hereof in any way.

18. Successors and Assigns. Except as otherwise provided herein, this Agreement shall bind and inure to the benefit of and be enforceable by the Company and its successors and assigns and the Stockholders and any subsequent holders of Stockholder Shares and the respective successors and assigns of each of them, so long as they hold Stockholder Shares; provided that the rights of the Mitchell Investors under Section 1 hereof may not be assigned to Persons other than Qualified Permitted Transferees without the prior written approval of MDCP.

19. Counterparts. This Agreement may be executed in multiple counterparts, each of which shall be an original and all of which taken together shall constitute one and the same agreement.

20. Remedies. The Company and the Stockholders shall be entitled to enforce their rights under this Agreement specifically, to recover damages by reason of any breach of any provision of this Agreement and to exercise all other rights existing in their favor. The parties hereto agree and acknowledge that a breach of this Agreement would cause irreparable harm and money damages would not be an adequate remedy for any such breach and that, in addition to other rights and remedies hereunder, the Company and the Stockholders shall be entitled to specific performance and/or injunctive or other equitable relief (without posting a bond or other security) from any court of law or equity of competent jurisdiction in order to enforce or prevent any violation of the provisions of this Agreement.

21. Notices. Any notice provided for in this Agreement shall be in writing and shall be either personally delivered, or mailed first class mail (postage prepaid, return receipt requested) or sent by reputable overnight courier service (charges prepaid) to the Company and MDCP at the addresses set forth below and to any other recipient at the address indicated on the schedules hereto and to any subsequent holder of Stockholder Shares subject to this Agreement at such address as indicated by the Company's records, or at such address or to the attention of such other person as the recipient party has specified by prior written notice to the sending party.

Notices shall be deemed to have been given hereunder when delivered personally, three days after deposit in the U.S. mail and one day after deposit with a reputable overnight courier service.

The Company's address is:	Cinemark Holdings, Inc. 3900 Dallas Parkway, Suite 500 Plano, Texas 75093 Facsimile: (972) 665-1004 Attention: Michael Cavalier
MDCP's address is:	Madison Dearborn Capital Partners IV, L.P. Three First National Plaza, Suite 3800 70 West Madison Street Chicago, IL 60602 Attention: Benjamin D. Chereskin

22. Governing Law. All issues and questions concerning the construction, validity, interpretation and enforceability of this Agreement and the exhibits and schedules hereto shall be governed by, and construed in accordance with, the laws of the State of Delaware, without giving effect to any choice of law or conflict of law rules or provisions (whether of the State of Delaware or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than the State of Delaware.

23. Business Days. If any time period for giving notice or taking action hereunder expires on a day which is a Saturday, Sunday or legal holiday in the state in which the Company's chief-executive office is located, the time period shall automatically be extended to the business day immediately following such Saturday, Sunday or legal holiday.

24. Descriptive Headings. The descriptive headings of this Agreement are inserted for convenience only and do not constitute a part of this Agreement.

25. No Strict Construction. The language used in this Agreement shall be deemed to be the language chosen by the parties hereto to express their mutual intent, and no rule of strict construction shall be applied against any party.

26. Mutual Waiver of Jury Trial. The parties hereto hereby irrevocably waive any and all rights to trial by jury in any legal proceeding arising out of or related to this Agreement. Any action or proceeding whatsoever between the parties hereto relating to this Agreement shall be tried in a court of competent jurisdiction by a judge sitting without a jury.

[SIGNATURE PAGES FOLLOWS]

IN WITNESS WHEREOF, the parties hereto have executed this Stockholders Agreement on the day and year first above written.

CINEMARK HOLDINGS, INC.

By: /s/ Lee Roy Mitchell
Lee Roy Mitchell
Its Chief Executive Officer

/s/ Lee Roy Mitchell
Lee Roy Mitchell

/s/ Alan Stock
Alan Stock

/s/ Timothy Warner
Timothy Warner

/s/ Robert Copple
Robert Copple

/s/ Michael Cavalier
Michael Cavalier

NORTHWESTERN UNIVERSITY

By: /s/ William H. McLean
William H. McLean
Its Vice President and Chief Investment Officer

MADISON DEARBORN CAPITAL PARTNERS IV, L.P.

By: Madison Dearborn Partners, IV L.P.
its General Partner

By: Madison Dearborn Partners, LLC,
its General Partner

By: /s/ Robin P. Selati
Robin P. Selati
Its Managing Director

THE MITCHELL SPECIAL TRUST

By: /s/ Lee Roy Mitchell
Lee Roy Mitchell
Trustee

By: /s/ Gary D. Witherspoon
Gary D. Witherspoon
Trustee

QUADRANGLE CAPITAL PARTNERS LP

By: Quadrangle GP Investors LP
Its: General Partner

By: Quadrangle GP Investors, LLC
Its: General Partner

By: /s/ Peter Ezersky
Peter Ezersky
Its Managing Principal

QUADRANGLE SELECT PARTNERS LP

By: Quadrangle GP Investors LP
Its: General Partner

By: Quadrangle GP Investors, LLC
Its: General Partner

By: /s/ Peter Ezersky
Peter Ezersky
Its Managing Principal

QUADRANGLE CAPITAL PARTNERS A LP

By: Quadrangle GP Investors LP
Its: General Partner

By: Quadrangle GP Investors, LLC
Its: General Partner

By: /s/ Peter Ezersky
Peter Ezersky
Its Managing Principal

QUADRANGLE (CINEMARK) CAPITAL PARTNERS LP

By: /s/ Peter Ezersky
Peter Ezersky
Managing Principal

IN WITNESS WHEREOF, the parties hereto have executed this Stockholders Agreement on the day and year first above written.

/s/ John Madigan
John Madigan

K&E INVESTMENT PARTNERS, LLC — 2004-B DIF

By: /s/ Jack S. Levin
Jack S. Levin
Its Manager

PIOLA INVESTMENTS LTD.

By: /s/ Riccardo Arduini
Riccardo Arduini
Its Director

IN WITNESS WHEREOF, the parties hereto have executed this Stockholders Agreement on the day and year first above written.

SYUFY ENTERPRISES, LP

By: /s/ Joseph Syufy
Joseph Syufy
President of Syufy Properties, Inc.
Its General Partner

CENTURY THEATRES HOLDINGS, LLC

By: /s/ Joseph Syufy
Joseph Syufy
Its President

EXHIBIT 4.5

CINEMARK HOLDINGS, INC.

REGISTRATION AGREEMENT

THIS REGISTRATION AGREEMENT (this "***Agreement***") is made as of August 7, 2006, among Cinemark Holdings, Inc., a Delaware corporation (the "***Company***"), Madison Dearborn Capital Partners IV, L.P., a Delaware limited partnership ("***MDCP***"), Lee Roy Mitchell and The Mitchell Special Trust (collectively, the "***Mitchell Investors***"), Northwestern University ("***NWU***"), K&E Investment Partners, LLC — 2004-B DIF ("***K&E***"), Piola Investments Ltd. ("***Piola***"), John Madigan ("***Madigan***"), Quadrangle Capital Partners LP, Quadrangle Select Partners LP, Quadrangle (Cinemark) Capital Partners LP and Quadrangle Capital Partners A LP (collectively, the "***Quadrangle Investors***"), Syufy Enterprises, LP, a California limited partnership (the "***Syufy Investor***"), and Century Theatres Holdings, LLC, a California limited liability company ("***CTH***"). MDCP, the Mitchell Investors, the Quadrangle Investors, the Syufy Investor, CTH, NWU, K&E, Piola and Madigan are collectively referred to herein as the "***Investors***" and individually as an "***Investor***." Unless otherwise specified herein, all of the capitalized terms used herein are defined in paragraph 10 hereof.

WHEREAS, MDCP acquired shares of Class A Common Stock ("***Cinemark Class A Common Stock***") of Cinemark, Inc., a Delaware corporation ("***Cinemark***"), pursuant to the Stock Purchase Agreement between MDCP and the Company dated as of March 12, 2004 (the "***MDCP Purchase Agreement***");

WHEREAS, Cinemark, MDCP and the Mitchell Investors and other stockholders are parties to that certain Registration Agreement dated March 12, 2004, (the "***Original Agreement***");

WHEREAS, pursuant to a securities purchase agreement dated as of December 30, 2004 (the "***Quadrangle Purchase Agreement***"), the Quadrangle Investors acquired a portion of the Cinemark Class A Common Stock held by MDCP immediately prior to the execution of the Quadrangle Purchase Agreement;

WHEREAS, in connection with the Quadrangle Purchase Agreement, the Original Agreement was amended to provide for the Quadrangle Investors to become parties thereto and to be provided certain registration rights thereunder (as so amended, the "***Amended Agreement***");

WHEREAS, pursuant to a certain securities purchase agreement dated as of December 30, 2004, K&E acquired shares of Cinemark Class A Common Stock previously held by MDCP and became a party to the Original Agreement by executing a joinder thereto in accordance with Section 8 thereof;

WHEREAS, pursuant to a certain securities purchase agreement dated as of July 5, 2005 (the "***Piola Purchase Agreement***"), Piola acquired shares of Cinemark Class A Common Stock from Cinemark and became a party to the Amended Agreement by executing a joinder thereto in accordance with Section 8 thereof;

WHEREAS, NWU and Madigan acquired shares of Cinemark Class A Common Stock previously held by MDCP pursuant to certain securities purchase agreements with MDCP and became parties to the Original Agreement by executing joinders thereto in accordance with Section 8 thereof;

WHEREAS, pursuant to a contribution and exchange agreement dated as of the date hereof (the "***Syufy Contribution Agreement***"), the Syufy Investor will receive 3,388,466 shares of Company Class A Common Stock in exchange for the contribution (the "***Syufy Contribution***") by the Syufy Investor of certain shares of common stock of Century Theatres, Inc. ("***Century***");

WHEREAS, the Contribution is being made in connection with the Company's and Cinemark USA, Inc.'s acquisition of Century (the "***Acquisition***") pursuant to a Stock Purchase Agreement, dated as of the date hereof, by and among Century, CTH, the Syufy Investor, the Company and Cinemark USA, Inc. (the "***Century Stock Purchase Agreement***");

WHEREAS, as of the date of this Agreement, CTH owns all of the issued and outstanding shares of capital stock of Century (the "***Century Shares***"), and the Syufy Investor owns all of the outstanding limited liability company interests of CTH;

WHEREAS, prior to the closing, CTH will distribute all of the Century Shares to the Syufy Investor and thereafter CTH will be dissolved pursuant to the Beverly-Killea Limited Liability Company Act, as amended, immediately after which the Syufy Investor will own all of the Century Shares and become an Investor hereunder;

WHEREAS, upon the distribution of the Century Shares to the Syufy Investor by CTH, CTH will cease to be a party to this Agreement and thereafter will have no further rights or obligations hereunder.

WHEREAS, immediately prior to and in connection with the Acquisition, each Stockholder will contribute one hundred percent of such Stockholder's shares of Cinemark Class A Common Stock and Cinemark Preferred Stock (if any) to the Company (the "***Cinemark Inc. Contribution***") in exchange for an equivalent number of shares of Company Class A Common Stock and Company Preferred Stock, pursuant to a Contribution Agreement dated as of the date hereof by and among the Company and the Investors (the "***Company Contribution Agreement***"); and

WHEREAS, the Company and the Investors desire to enter into this Agreement for the purposes of implementing the terms of this Agreement, all to become effective immediately following the Cinemark Inc. Contribution and Syufy Contribution and conditioned upon the closing of the Acquisition as more fully described below.

NOW, **THEREFORE**, in consideration of the mutual covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties to this Agreement hereby agree as follows:

1. Effectiveness.

(a) The parties are entering into this Agreement in connection with the transactions contemplated by the Acquisition. This Agreement shall become automatically effective upon, and only upon, the closing of the Acquisition, at which time the Amended Agreement shall terminate automatically and be of no further force and effect. In the event the Acquisition is not consummated and the Stock Purchase Agreement, dated as of the date hereof by and among the Company, Cinemark USA, Inc. and the Syufy Investor, is terminated, this Agreement shall become null and void and of no further force and effect.

(b) Upon the distribution of the Century Shares to the Syufy Investor by CTH, CTH will cease to be a party to this Agreement and thereafter will have no further rights or obligations hereunder, and the Syufy Investor will become an Investor hereunder.

2. Demand Registrations.

(a) Requests for Registration. Subject to the terms and conditions of this Agreement, at any time the holders of a majority of the MDCP Registrable Securities may request registration under the Securities Act of all or any portion of their Registrable Securities on Form S-1 or any similar long-form registration ("***Long-Form Registrations***"). Subject to the terms and conditions of this Agreement, at any time after the first to occur of (i) the third anniversary of the Closing under the MDCP Purchase Agreement, (ii) 180 days after the completion of an initial public offering of the Company Class A Common Stock registered under the Securities Act (the "***IPO***"), or (iii) the Company achieves or exceeds its annual EBITDA target as set forth in the Company's Five-Year Plan for any two consecutive fiscal years prior to the end of the Company's 2008 fiscal year, the holders of a majority of the Mitchell Registrable Securities may request registration under the Securities Act of all or any portion of their respective Registrable Securities on a Long-Form Registration; provided that in the case of the first Demand Registrations under clauses (i) and (iii) above, the registration offering price per share of Company Class A Common Stock must be at least twice the initial cost per share of the Cinemark Class A Common Stock purchased by MDCP under the MDCP Purchase Agreement. Subject to the terms and conditions of this Agreement, at any time after 180 days after the completion of an IPO, (i) the holders of a majority of the Quadrangle Registrable Securities and (ii) the holders of a majority of the Syufy Registrable Securities, each as a separate group, may request registration under the Securities Act of all or any of their Registrable Securities on a Long-Form Registration. In addition, subject to the terms and conditions of this Agreement, at any time after the IPO, the holders of a majority of the MDCP Registrable Securities, the holders of a majority of the Mitchell Registrable Securities, the holders of a majority of the Quadrangle Registrable Securities and the holders of a majority of the Syufy Registrable Securities, each as a separate group, may request registration under the Securities Act of all or any portion of their respective Registrable Securities on Form S-3 (including pursuant to Rule 415 under the Securities Act) or any similar short-form registration ("***Short-Form Registrations***") if available. All registrations requested pursuant to this paragraph 2(a) are referred to herein as "***Demand Registrations***." Each request for a Demand Registration shall specify the approximate number of Registrable Securities requested to be registered, the anticipated per share price range for such offering and the intended method of distribution. Within ten days after receipt of any such request, the Company shall give written notice of such requested registration to all other holders of Registrable Securities and, subject to the terms of paragraph 2(d) hereof, shall include in such registration (and in all related registrations and qualifications under state blue sky laws or in compliance with other registration requirements and in any related underwriting) all Registrable Securities with respect to which the Company has received written requests for inclusion therein within 15 days after the receipt of the Company's notice.

(b) Long-Form Registrations. Subject to paragraph 2(d) of this Agreement, the holders of a majority of the MDCP Registrable Securities shall be entitled to request four Long-Form Registrations, the holders of a majority of the Mitchell Registrable Securities shall be entitled to request two Long-Form Registrations, the holders of a majority of the Quadrangle Registrable Securities shall be entitled to request one Long-Form Registration and the holders of a majority of the Syufy Registrable Securities shall be entitled to request one Long-Form Registration. The Company shall pay all Registration Expenses in connection with such Long-Form Registrations as provided in this Agreement; provided that the aggregate offering value of the Registrable Securities requested to be registered in connection with a Long-Form Registration which is the IPO must equal at least $100,000,000, and the aggregate offering value of the Registrable Securities requested to be registered in any other Long-Form Registration must equal at least $50,000,000. A registration shall not count as one of the permitted Long-Form Registrations with respect to a holder until it has become effective and maintained continuously effective for a period of at least three months or such shorter period when all Registrable Securities included therein have been sold in accordance therewith (unless such Long-Form Registration has not become effective due to the fault of the holders requesting such registration). All Long-Form Registrations shall be underwritten registrations.

(c) Short-Form Registrations. In addition to the Long-Form Registrations provided pursuant to paragraph 2(b), the holders of the MDCP Registrable Securities, the Mitchell Registrable Securities, the Quadrangle Registrable Securities and the Syufy Registrable Securities, each as a separate group, shall be entitled to request an unlimited number of Short-Form Registrations in which the Company shall pay all Registration Expenses; provided that the aggregate offering value of the Registrable Securities requested to be registered in any Short-Form Registration must equal at least $20,000,000. Demand Registrations shall be Short-Form Registrations whenever the Company is permitted to use any applicable short form and if the managing underwriters (if any) agree to the use of a Short-Form Registration.

(d) Priority on Demand Registrations. The Company shall not include in any Demand Registration any securities which are not Registrable Securities without the prior written consent of the holders of a majority of the Registrable Securities included in such registration. If a Demand Registration is an underwritten offering and the managing underwriters advise the Company in writing that in their reasonable opinion the number of Registrable Securities and, if permitted hereunder, other securities requested to be included in such offering exceeds the number of Registrable Securities and other securities, if any, which can be sold therein without adversely affecting the marketability of the offering, the Company shall include in such registration prior to the inclusion of any securities which are not Registrable Securities the number of Registrable Securities requested to be included which in the reasonable opinion of such underwriters can be sold without adversely affecting the marketability of the offering, pro rata among the respective holders thereof on the basis of the amount of Registrable Securities owned by each such holder at such time; provided that, if the holder of Registrable Securities that demands a Long-Form Registration under this Section 2 is unable to include in such Long-Form Registration at least 66$^{2/3}$% of the number of Registrable Securities requested to be included by such holder in such Long-Form Registration because of the limits imposed under this paragraph 2(d) of this Agreement, then such Long-Form Registration shall not be counted for purposes of the limits on the number of Long-Form Registrations such holder is permitted to demand under paragraph 2(b) of this Agreement. Any Persons other than holders of Registrable Securities who participate in Demand Registrations which are not at the Company's expense must pay their share of the Registration Expenses as provided in paragraph 6 hereof.

(e) Restrictions on Demand Registrations. The Company shall not be obligated to effect any Demand Registration within 180 days after the effective date of a previous Demand Registration or Piggyback Registration hereunder. The Company may postpone the filing or the effectiveness of a registration statement for a period not to exceed 180 days for a Demand Registration if the Company's board of directors determines in its reasonable good faith judgment that such Demand Registration would reasonably be expected to have a material adverse effect on any proposal or plan by the Company or any of its Subsidiaries to engage in any acquisition or sale of assets (other than in the ordinary course of business) or any merger, consolidation, tender offer, acquisition, recapitalization, reorganization or similar transaction or would require the disclosure of any material nonpublic information which would reasonably be expected to be detrimental to the Company and its Subsidiaries; provided that in such event, the holders of Registrable Securities initially requesting such Demand Registration shall be entitled to withdraw such request and, if such request is withdrawn, such Demand Registration shall not count as one of the permitted Demand Registrations hereunder and the Company shall pay all Registration Expenses in connection with such registration and provided that the Company may not exercise its right to delay a Demand Registration more than once in any twelve-month period.

(f) Selection of Underwriters. The Company shall have the right to select the investment banker(s) and manager(s) to administer the offering in any Demand Registration.

3. Piggyback Registrations.

(a) Right to Piggyback. Whenever the Company proposes to register any of its securities under the Securities Act (other than pursuant to a Demand Registration) and the registration form to be used may be used for the registration of Registrable Securities (a "***Piggyback Registration***"), the Company shall give prompt written notice (in any event within five business days after its receipt of notice of any exercise of demand registration rights other than under this Agreement) to all holders of Registrable Securities of its intention to effect such a registration and, subject to the terms of paragraphs 3(c) and 3(d) hereof, shall include in such registration (and in all related registrations or qualifications under blue sky laws or in compliance with other registration requirements and in any related underwriting) all Registrable Securities with respect to which the Company has received written requests for inclusion therein within 15 days after the receipt of the Company's notice.

(b) Piggyback Expenses. The Registration Expenses of the holders of Registrable Securities shall be paid by the Company in all Piggyback Registrations.

(c) Priority on Primary Registrations. If a Piggyback Registration is an underwritten primary registration on behalf of the Company, and the managing underwriters advise the Company in writing that in their reasonable opinion the number of securities requested to be included in such registration exceeds the number which can be sold in such offering without adversely affecting the marketability of the offering, the Company shall include in such registration (i) first, the securities the Company proposes to sell, (ii) second, the Registrable Securities requested to be included in such registration, pro rata among the holders of such Registrable Securities on the basis of the number of Registrable Securities owned by each such holder at such time, and (iii) third, other securities requested to be included in such registration.

(d) Priority on Secondary Registrations. If a Piggyback Registration is an underwritten secondary registration on behalf of holders of the Company's securities, and the managing underwriters advise the Company in writing that in their reasonable opinion the number of securities requested to be included in such registration exceeds the number which can be sold in such offering without adversely affecting the marketability of the offering, the Company shall include in such registration (i) first, the securities requested to be included therein by the holders requesting such registration and the Registrable Securities requested to be included in such registration, pro rata among the holders of such securities on the basis of the number of Registrable Securities and such other securities owned by each such holder at such time, and (ii) second, other securities requested to be included in such registration.

(e) Selection of Underwriters. The Company shall have the right to select the investment banker(s) and manager(s) to administer the offering in any Piggyback Registration.

(f) Other Registrations. If the Company has previously filed a registration statement with respect to Registrable Securities pursuant to paragraph 2 or pursuant to this paragraph 3, and if such previous registration has not been withdrawn or abandoned, the Company shall not file or cause to be effected any other registration of any of its equity securities or securities convertible or exchangeable into or exercisable for its equity securities under the Securities Act (except on Form S-8 or any successor form), whether on its own behalf or at the request of any holder or holders of such securities, until a period of at least 180 days has elapsed from the effective date of such previous registration.

4. Holdback Agreements.

(a) Each holder of Registrable Securities shall not effect any public sale or distribution (including sales pursuant to Rule 144) of equity securities of the Company, or any securities convertible into or exchangeable or exercisable for such securities, during the seven days prior to and the 180-day period beginning on the effective date of any underwritten Demand Registration or any underwritten Piggyback Registration (except as part of such underwritten registration), unless the underwriters managing the registered public offering otherwise agree.

(b) The Company (i) shall not effect any public sale or distribution of its equity securities, or any securities convertible into or exchangeable or exercisable for such securities, during the seven days prior to and during the 180-day period beginning on the effective date of any underwritten Demand Registration or any underwritten Piggyback Registration (except as part of such underwritten registration or pursuant to registrations on Form

S-8 or any successor form), unless the underwriters managing the registered public offering otherwise agree, and (ii) shall cause each holder of at least 5% of its outstanding Company Class A Common Stock, or any securities convertible into or exchangeable or exercisable for Company Class A Common Stock, purchased from the Company at any time after the date of this Agreement (other than in a registered public offering) to agree not to effect any public sale or distribution (including sales pursuant to Rule 144) of any such securities during such period (except as part of such underwritten registration, if otherwise permitted), unless the underwriters managing the registered public offering otherwise agree.

5. Registration Procedures. Whenever the holders of Registrable Securities have requested that any Registrable Securities be registered pursuant to this Agreement, the Company shall use its commercially reasonable efforts to effect the registration and the sale of such Registrable Securities in accordance with the intended method of disposition thereof, and pursuant thereto the Company shall as expeditiously as possible:

(a) prepare and file with the Securities and Exchange Commission a registration statement, and all amendments and supplements thereto and related prospectuses as may be necessary to comply with applicable securities laws, with respect to such Registrable Securities and use its commercially reasonable efforts to cause such registration statement to become effective;

(b) notify each holder of Registrable Securities of the effectiveness of each registration statement filed hereunder and prepare and file with the Securities and Exchange Commission such amendments and supplements to such registration statement and the prospectus used in connection therewith as may be required and comply with the provisions of the Securities Act with respect to the disposition of all securities covered by such registration statement during such period in accordance with the intended methods of disposition by the sellers thereof set forth in such registration statement;

(c) furnish to each seller of Registrable Securities such number of copies of such registration statement, each amendment and supplement thereto, the prospectus included in such registration statement (including each preliminary prospectus) and such other documents as such seller may reasonably request in order to facilitate the disposition of the Registrable Securities owned by such seller;

(d) use its commercially reasonable efforts to register or qualify such Registrable Securities under such other securities or blue sky laws of such jurisdictions as any seller reasonably requests and do any and all other acts and things which may be reasonably necessary to enable such seller to consummate the disposition in such jurisdictions of the Registrable Securities owned by such seller (provided that the Company shall not be required to (i) qualify generally to do business in any jurisdiction where it would not otherwise be required to qualify but for this subparagraph, (ii) subject itself to taxation in any such jurisdiction or (iii) consent to general service of process in any such jurisdiction);

(e) notify each seller of such Registrable Securities, at any time when a prospectus relating thereto is required to be delivered under the Securities Act, of the happening of any event as a result of which the prospectus included in such registration statement contains an untrue statement of a material fact or omits any fact necessary to make the statements therein not misleading, and, at the request of any such seller, the Company shall prepare a supplement or amendment to such prospectus so that, as thereafter delivered to the purchasers of such Registrable Securities, such prospectus shall not contain an untrue statement of a material fact or omit to state any fact necessary to make the statements therein not misleading;

(f) cause all such Registrable Securities to be listed on each securities exchange on which similar securities issued by the Company are then listed and, if not so listed, to be listed on the NASD automated quotation system and, if listed on the NASD automated quotation system, use its commercially reasonable efforts to secure designation of all such Registrable Securities covered by such registration statement as a NASDAQ "national market system security" within the meaning of Rule 11Aa2-1 of the Securities and Exchange Commission or, failing that, to secure NASDAQ authorization for such Registrable Securities;

(g) provide a transfer agent and registrar for all such Registrable Securities not later than the effective date of such registration statement;

(h) make available for inspection by any seller of Registrable Securities, any underwriter participating in any disposition pursuant to such registration statement and any attorney, accountant or other agent retained by any such seller or underwriter, all financial and other records, pertinent corporate documents and properties of the Company, and cause the Company's officers, directors, employees and independent accountants to supply all information reasonably requested by any such seller, underwriter, attorney, accountant or agent in connection with such registration statement; and

(i) otherwise use its commercially reasonable efforts to comply with all applicable rules and regulations of the Securities and Exchange Commission, and make available to its security holders, as soon as reasonably practicable, an earnings statement covering the period of at least twelve months beginning with the first day of the Company's first full calendar quarter after the effective date of the registration statement, which earnings statement shall satisfy the provisions of Section 11(a) of the Securities Act and Rule 158 thereunder.

6. Registration Expenses.

(a) All expenses incident to the Company's performance of or compliance with this Agreement, including without limitation all registration, qualification and filing fees, fees and expenses of compliance with securities or blue sky laws, printing expenses, messenger and delivery expenses, fees and disbursements of custodians, and fees and disbursements of counsel for the Company and all independent certified public accountants, underwriters (excluding discounts and commissions) and other Persons retained by the Company (all such expenses being herein called "***Registration Expenses***"), shall be borne as provided in this Agreement, except that the Company shall, in any event, pay its internal expenses (including, without limitation, all salaries and expenses of its officers and employees performing legal or accounting duties), the expense of any annual audit or quarterly review, the expense of any liability insurance and the expenses and fees for listing the securities to be registered on each securities exchange on which similar securities issued by the Company are then listed or on the NASD automated quotation system.

(b) In connection with each Demand Registration, the Company shall reimburse the holders of Registrable Securities included in such registration for the reasonable fees and disbursements (not exceeding $25,000 for each registration) of one counsel chosen by the holders of a majority of the Registrable Securities included in such registration and for the reasonable fees and disbursements (not exceeding $10,000 for each counsel) of each additional counsel retained by any holder or group of affiliated holders of Registrable Securities for the purpose of rendering a legal opinion on behalf of such holder in connection with any underwritten Demand Registration or Piggyback Registration.

(c) To the extent Registration Expenses are not required to be paid by the Company, each holder of securities included in any registration hereunder shall pay such holder's pro rata share of those Registration Expenses based upon the number of Registrable Securities of such holder included in such registration.

7. Indemnification.

(a) The Company agrees to indemnify, to the extent permitted by law, each holder of Registrable Securities, its officers and directors and each Person who controls such holder (within the meaning of the Securities Act) against all losses, claims, actions, damages, liabilities and expenses caused by (i) any untrue or alleged untrue statement of material fact contained in any registration statement, prospectus or preliminary prospectus or any amendment thereof or supplement thereto or any omission or alleged omission of a material fact required to be stated therein or necessary to make the statements therein not misleading, or (ii) any violation or alleged violation by the Company of the Securities Act or any other similar federal or state securities laws or any rule or regulation promulgated thereunder applicable to the Company and relating to action or inaction required of the Company in connection with any such registration, qualification or compliance, and to pay to each holder of Registrable Securities, its officers and directors and each Person who controls such holder (within the meaning of the Securities Act), as incurred, any legal and any other expenses reasonably incurred in connection with investigating, preparing or defending any such claim, loss, damage, liability or action, except insofar as the same are caused by or contained in any information furnished in writing to the Company by such holder expressly for use therein or by such holder's failure to deliver a copy of the registration statement or prospectus or any amendments or supplements thereto after the Company has furnished such holder with a sufficient number of copies of the same. In connection with an underwritten offering, the Company shall indemnify such underwriters, their officers and directors and each Person who controls such underwriters (within the meaning of the Securities Act) to the same extent as provided above with respect to the indemnification of the holders of Registrable Securities.

(b) In connection with any registration statement in which a holder of Registrable Securities is participating, each such holder shall furnish to the Company in writing such information and affidavits as the Company reasonably requests for use in connection with any such registration statement or prospectus and, to the extent permitted by law, shall indemnify the Company, its directors and officers and each Person who controls the Company (within the meaning of the Securities Act) against any losses, claims, damages, liabilities and expenses resulting from any untrue or alleged untrue statement of material fact contained in the registration statement, prospectus or preliminary prospectus or any amendment thereof or supplement thereto or any omission or alleged omission of a material fact required to be stated therein or necessary to make the statements therein not misleading, but only to the extent that such untrue statement or omission is contained in any information or affidavit so furnished in writing by such holder; provided that the obligation to indemnify shall be individual, not joint and several, for each holder and shall be limited to the net amount of proceeds received by such holder from the sale of Registrable Securities pursuant to such registration statement.

(c) Any Person entitled to indemnification hereunder shall (i) give prompt written notice to the indemnifying party of any claim with respect to which it seeks indemnification (provided that the failure to give prompt notice shall not impair any Person’s right to indemnification hereunder to the extent such failure has not prejudiced the indemnifying party) and (ii) unless in such indemnified party’s reasonable judgment a conflict of interest between such indemnified and indemnifying parties may exist with respect to such claim, permit such indemnifying party to assume the defense of such claim with counsel reasonably satisfactory to the indemnified party. If such defense is assumed, the indemnifying party shall not be subject to any liability for any settlement made by the indemnified party without the indemnifying party’s consent (but such consent shall not be unreasonably withheld). An indemnifying party who is not entitled to, or elects not to, assume the defense of a claim shall not be obligated to pay the fees and expenses of more than one counsel for all parties indemnified by such indemnifying party with respect to such claim, unless in the reasonable judgment of any indemnified party a conflict of interest may exist between such indemnified party and any other of such indemnified parties with respect to such claim. In such instance, the conflicting indemnified parties shall have a right to retain one separate counsel, chosen by the holders of a majority of the Registrable Securities included in the registration, at the expense of the indemnifying party. No indemnifying party, in the defense of such claim or litigation, shall, except with the consent of each indemnified party, consent to the entry of any judgment or enter into any settlement which does not include as an unconditional term thereof the giving by the claimant or plaintiff to such indemnified party of a release from all liability in respect to such claim or litigation.

(d) If the indemnification provided for in this paragraph 6 is held by a court of competent jurisdiction to be unavailable to an indemnified party or is otherwise unenforceable with respect to any loss, claim, damage, liability or action referred to herein, then the indemnifying party, in lieu of indemnifying such indemnified party hereunder, shall contribute to the amounts paid or payable by such indemnified party as a result of such loss, claim, damage, liability or action in such proportion as is appropriate to reflect the relative fault of the indemnifying party on the one hand and of the indemnified party on the other hand in connection with the statements or omissions which resulted in such loss, claim, damage, liability or action as well as any other relevant equitable considerations; provided that the maximum amount of liability in respect of such contribution shall be limited, in the case of each seller of Registrable Securities, to an amount equal to the net proceeds actually received by such seller from the sale of Registrable Securities effected pursuant to such registration. The relative fault of the indemnifying party and of the indemnified party shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission to state a material fact relates to information supplied by the indemnifying party or by the indemnified party and the parties’ relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission. The parties hereto agree that it would not be just or equitable if the contribution pursuant to this paragraph were to be determined by pro rata allocation or by any other method of allocation that does not take into account such equitable considerations. The amount paid or payable by an indemnified party as a result of the losses, claims, damages, liabilities or expenses referred to herein shall be deemed to include any legal or other expenses reasonably incurred by such indemnified party in connection with investigating or defending against any action or claim which is the subject hereof. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any Person who is not guilty of such fraudulent misrepresentation.

(e) The indemnification and contribution provided for under this Agreement shall remain in full force and effect regardless of any investigation made by or on behalf of the indemnified party or any officer, director or controlling Person of such indemnified party and shall survive the transfer of securities.

8. Participation in Underwritten Registrations. No Person may participate in any registration hereunder which is underwritten unless such Person (i) agrees to sell such Person's securities on the basis provided in any underwriting arrangements approved by the Person or Persons entitled hereunder to approve such arrangements (including pursuant to any over-allotment or "green shoe" options requested by the underwriters, provided that no holder of Registrable Securities shall be required to sell more than the number of Registrable Securities such holder has requested to include) and (ii) completes and executes all questionnaires, powers of attorney, indemnities, underwriting agreements and other documents reasonably required under the terms of such underwriting arrangements.

9. Additional Parties; Joinder. The Company may permit any Person who acquires Company Class A Common Stock or rights to acquire Company Class A Common Stock after the date hereof (the "***Acquired Common***") to become a party to this Agreement and to succeed to all of the rights and obligations of a "holder of Registrable Securities" under this Agreement by obtaining an executed joinder to this Agreement from such Person in the form of Exhibit A attached hereto, and upon the execution and delivery of the joinder by such Person, such Person shall for all purposes be a "holder of Registrable Securities" under this Agreement with respect to the Acquired Common.

10. Definitions.

(a) "***Company Class A Common Stock***" means the Company's Class A Common Stock, par value $0.001 per share.

(b) "***Company Preferred Stock***" means the Company's Preferred Stock, with the rights set forth under the Company's Amended and Restated Certificate of Incorporation.

(c) "***Five-Year Plan***" means the Company's financial information and projections for fiscal years 2004 through 2008 attached hereto as Exhibit B.

(d) "***MDCP Registrable Securities***" means any Registrable Securities held by MDCP or any of its Permitted Transferees.

(e) "***Mitchell Registrable Securities***" means any Registrable Securities held by any Mitchell Investor or any Permitted Transferee of a Mitchell Investor.

(f) "***Permitted Transferee***" has the meaning set forth in the Stockholder Agreement, dated as of the date hereof, between the Company, MDCP and certain other stockholders of the Company.

(g) "***Quadrangle Registrable Securities***" means any Registrable Securities held by any Quadrangle Investor or any of its Permitted Transferees.

(h) "***Registrable Securities***" means (i) any shares of Company Class A Common Stock issued pursuant to the Contribution Agreement in exchange for shares of Cinemark Class A Common Stock issued pursuant to the MDCP Purchase Agreement, including any shares transferred to a Permitted Transferee, (ii) any shares of Company Class A Common Stock issued pursuant to the Contribution Agreement in exchange for shares of Cinemark Class A Common Stock acquired by the Quadrangle Investors from MDCP pursuant to the Quadrangle Purchase Agreement, (iii) any shares of Company Class A Common Stock issued pursuant to the Contribution Agreement in exchange for shares of Cinemark Class A Common Stock held by the Mitchell Investors immediately after the effectiveness of the merger of Cinemark with Popcorn Merger Corp. on March 12, 2004, (iv) any shares of Company Class A Common Stock issued pursuant to the Contribution Agreement in exchange for shares of Cinemark Class A Common Stock issued pursuant to the Piola Purchase Agreement, (v) any shares of Company Class A Common Stock issued pursuant to the Syufy Contribution Agreement, (vi) any common stock issued or issuable with respect to the securities referred to in clauses (i) and (v) above by way of a stock dividend or stock split or in connection with a combination of shares, recapitalization, merger, consolidation or other reorganization, and (vii) any other shares of Class A Common Stock held by Persons holding securities described in clauses (i) to (vi), inclusive, above. As to any particular Registrable Securities, such securities shall cease to be Registrable Securities when they have been distributed to the public pursuant to a offering registered under the Securities Act or sold to the public through a broker, dealer or market maker in compliance with Rule 144 under the Securities Act (or any similar rule then in force) or repurchased by the Company or any Subsidiary. For purposes of this Agreement, a Person shall be deemed to be a holder of Registrable Securities, and the Registrable Securities shall be deemed to be in existence, whenever such Person has the right to acquire directly or indirectly such Registrable Securities (upon conversion or exercise in connection with a transfer of securities or otherwise, but disregarding any restrictions or limitations upon the exercise of such right), whether or not such acquisition has actually been effected, and such Person shall be entitled to exercise the rights of a holder of Registrable Securities hereunder.

(i) "***Syufy Registrable Securities***" means any Registrable Securities held by any Syufy Investor or any of its Permitted Transferees.

(j) Unless otherwise stated, other capitalized terms contained herein have the meanings set forth in the MDCP Purchase Agreement.

11. Miscellaneous.

(a) No Inconsistent Agreements. The Company shall not hereafter enter into any agreement with respect to its securities which is inconsistent with or violates the rights granted to the holders of Registrable Securities in this Agreement.

(b) Remedies. Any Person having rights under any provision of this Agreement shall be entitled to enforce such rights specifically, to recover damages caused by reason of any breach of any provision of this Agreement and to exercise all other rights granted by law. The parties hereto agree and acknowledge that money damages would not be an adequate remedy for any breach of the provisions of this Agreement and that, in addition to any other rights and remedies existing in its favor, any party shall be entitled to specific performance and/or other injunctive relief from any court of law or equity of competent jurisdiction in order to enforce or prevent violation of the provisions of this Agreement.

(c) Amendments and Waivers. Except as otherwise provided herein, the provisions of this Agreement may be amended or waived only upon the prior written consent of the Company and the holders of a majority of the Registrable Securities; provided that (i) any amendment or waiver that affects only the Mitchell Registrable Securities and not all Registrable Securities in the same manner, must also be approved by the holders of a majority of the Mitchell Registrable Securities, (ii) any amendment or waiver that affects only the Quadrangle Registrable Securities and not all Registrable Securities in the same manner, must also be approved by the holders of a majority of the Quadrangle Registrable Securities and (iii) any amendment or waiver that affects only the Syufy Registrable Securities and not all Registrable Securities in the same manner, must also be approved by the holders of a majority of the Syufy Registrable Securities. The failure of any party to enforce any of the provisions of this Agreement shall in no way be construed as a waiver of such provisions and shall not affect the right of such party thereafter to enforce each and every provision of this Agreement in accordance with its terms.

(d) Successors and Assigns. Except as otherwise provided herein, all covenants and agreements in this Agreement by or on behalf of any of the parties hereto shall bind and inure to the benefit of the respective successors and assigns of the parties hereto whether so expressed or not. In addition, whether or not any express assignment has been made, the provisions of this Agreement which are for the benefit of purchasers or holders of Registrable Securities are also for the benefit of, and enforceable by, any subsequent holder of Registrable Securities; provided that if any holder of Registrable Securities which is a limited partnership or limited liability company distributes any Registrable Securities to its partners or members after the Company has effected a registered public offering of the Class A Common Stock under the Securities Act, such transferees of Registrable Securities shall no longer be subject to the provisions of paragraph 4(a) hereof.

(e) Severability. Whenever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement is held to be prohibited by or invalid under applicable law, such provision shall be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of this Agreement.

(f) Counterparts. This Agreement may be executed simultaneously in two or more counterparts, any one of which need not contain the signatures of more than one party, but all such counterparts taken together shall constitute one and the same Agreement.

(g) Descriptive Headings. The descriptive headings of this Agreement are inserted for convenience only and do not constitute a part of this Agreement.

(h) Governing Law. All issues and questions concerning the construction, validity, interpretation and enforcement of this Agreement and the exhibits and schedules hereto shall be governed by, and construed in accordance with, the laws of the State of Delaware, without giving effect to any choice of law or conflict of law rules or provisions (whether of the State of Delaware or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than the State of Delaware.

(i) Notices. All notices, demands or other communications to be given or delivered under or by reason of the provisions of this Agreement shall be in writing and shall be deemed to have been given when delivered personally to the recipient, sent to the recipient by reputable overnight courier service (charges prepaid) or mailed to the recipient by certified or registered mail, return receipt requested and postage prepaid. Such notices, demands and other communications shall be sent to each Investor at the address indicated on the Schedule of Investors and to the Company at the address indicated below:

Cinemark Holdings, Inc.
3900 Dallas Parkway, Suite 500
Plano, Texas 75093
Telephone: (972) 665-1108
Facsimile: (972) 665-1004
Attention: Michael Cavalier

With a copy to:

Madison Dearborn Capital Partners IV, L.P.
Three First National Plaza, 38th Floor
Chicago, IL 60602
Telephone: (312) 895-1000
Facsimile: (312) 895-1056
Attention: Benjamin D.Chereskin

or to such other address or to the attention of such other person as the recipient party has specified by prior written notice to the sending party.

* * * * *

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties have executed this Registration Agreement as of the date first written above.

CINEMARK HOLDINGS, INC.

By: /s/ Lee Roy Mitchell
Lee Roy Mitchell
Its Chief Executive Officer

/s/ Lee Roy Mitchell
Lee Roy Mitchell

/s/ Alan Stock
Alan Stock

/s/ Timothy Warner
Timothy Warner

/s/ Robert Copple
Robert Copple

/s/ Michael Cavalier
Michael Cavalier

NORTHWESTERN UNIVERSITY

By: /s/ William H. McLean
William H. McLean
Its Vice President and Chief Investment Officer

MADISON DEARBORN CAPITAL PARTNERS IV, L.P.

By: Madison Dearborn Partners, IV L.P.
its General Partner

By: Madison Dearborn Partners, LLC,
its General Partner

By: /s/ Robin P. Selati
Robin P. Selati
Its Managing Director

THE MITCHELL SPECIAL TRUST

By: /s/ Lee Roy Mitchell
Lee Roy Mitchell
Trustee

By: /s/ Gary D. Witherspoon
Gary D. Witherspoon
Trustee

QUADRANGLE CAPITAL PARTNERS LP

By: Quadrangle GP Investors LP
Its: General Partner

By: Quadrangle GP Investors, LLC
Its: General Partner

By: /s/ Peter Ezersky
Peter Ezersky
Its Managing Principal

QUADRANGLE SELECT PARTNERS LP

By: Quadrangle GP Investors LP
Its: General Partner

By: Quadrangle GP Investors, LLC
Its: General Partner

By: /s/ Peter Ezersky
Peter Ezersky
Its Managing Principal

QUADRANGLE CAPITAL PARTNERS A LP

By: Quadrangle GP Investors LP
Its: General Partner

By: Quadrangle GP Investors, LLC
Its: General Partner

By: /s/ Peter Ezersky
Peter Ezersky
Its Managing Principal

QUADRANGLE (CINEMARK) CAPITAL PARTNERS LP

By: /s/ Peter Ezersky
Peter Ezersky
Its Managing Principal

IN WITNESS WHEREOF, the parties hereto have executed this Registration Agreement on the day and year first above written.

/s/ John Madigan
John Madigan

K&E INVESTMENT PARTNERS, LLC — 2004-B DIF

By: /s/ Jack S. Levin
Jack S. Levin
Its: Manager

PIOLA INVESTMENTS LTD.

By: /s/ Riccardo Arduini
Riccardo Arduini
Its Director

IN WITNESS WHEREOF, the parties hereto have executed this Registration Agreement on the day and year first above written.

SYUFY ENTERPRISES, LP

By: /s/ Joseph Syufy
Joseph Syufy
President of Syufy Properties, Inc.
Its General Partner

CENTURY THEATRES HOLDINGS, LLC

By: /s/ Joseph Syufy
Joseph Syufy
Its President

EXHIBIT 10.5(j)

FIRST AMENDMENT TO EMPLOYMENT AGREEMENT

THIS FIRST AMENDMENT TO EMPLOYMENT AGREEMENT, (this "***Amendment***") is effective as of the 25th day of January, 2007 between Cinemark, Inc., a Delaware corporation (the "***Company***"), and Robert Copple ("***Executive***").

RECITALS

A. The Company and Executive previously entered into that certain Employment Agreement effective as of March 12, 2004 (the "***Original Employment Agreement***"), setting forth the terms and conditions of their understandings and agreements with respect to Executive's employment as the Company's Senior Vice President and Chief Financial Officer.

B. The Company and Executive now wish to make certain changes to the terms and conditions set forth in the Original Employment Agreement by amending such agreement as set forth herein.

STATEMENT OF AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants and obligations contained herein and in the Original Employment Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Company and Executive, each intending to be legally bound, hereby agree as follows:

1. Amendment of Original Employment Agreement.

(a) Section 1.1 of the Original Employment Agreement is hereby amended and restated in its entirety to read as follows:

> "1.1 Title and Duties. The Company hereby employs Executive as the Executive Vice President and Chief Financial Officer of the Company. Executive's duties, responsibilities and authority shall be consistent with Executive's position and titles and shall include serving in a similar capacity with Cinemark USA, Inc. and such other duties, responsibilities and authority as may be assigned to Executive by the Board of Directors of the Company (the "***Board***"). Executive shall report directly to the Chief Executive Officer of the Company."

(b) Except as specifically set forth in Section 1(a) hereof, the Original Employment Agreement remains in full force on its terms.

2. Governing Law. This Amendment shall be construed, interpreted and governed in accordance with the laws of the State of Texas without regard to any conflict of laws rule or principle which might refer the governance or construction of this Amendment to the laws of another jurisdiction.

3. Entire Agreement. This Amendment, together with the Original Employment Agreement contain the entire understanding between the parties hereto with respect to the subject matter hereof and supersede in all respects any prior or other agreement or understanding, written or oral, between the Company and Executive with respect to such subject matter.

4. Counterparts. This Amendment may be executed in multiple counterparts, each of which will be deemed an original.

[Signature page follows]

IN WITNESS WHEREOF, the parties hereto, intending to be legally bound hereby, have caused this Amendment to be executed and delivered by their proper and duly authorized officers as of the day and year first above written.

COMPANY:

CINEMARK, INC.

By: /s/ ALAN W. STOCK
Alan W. Stock
Its Chief Executive Officer

EXECUTIVE:

/s/ ROBERT COPPLE
Robert Copple

Signature Page to FIRST Amendment to Employment Agreement

EXHIBIT 10.7(a)

CINEMARK HOLDINGS, INC.
2006 LONG TERM INCENTIVE PLAN

ARTICLE I.
GENERAL

1.1 Purposes of Plan. The purposes of the 2006 Cinemark Holdings, Inc. Long Term Incentive Plan (the "***Plan***") are to (i) advance the interests of Cinemark Holdings, Inc. (the "***Company***") and its stockholders by providing significant incentives to selected Employees, Directors and Consultants (as defined herein) of the Company and its Subsidiaries (as defined herein), (ii) enhance the interest of such persons in the success and progress of the Company and its Subsidiaries by providing them with an opportunity to become stockholders of the Company, (iii) enhance the ability of the Company and its Subsidiaries to attract and retain qualified management and other personnel necessary for the success and progress of the Company and its Subsidiaries. The Plan provides for Restricted Shares grants, Incentive Option grants and Nonqualified Option grants. The Plan is intended to be a "compensatory benefit plan" within the meaning of such term under Rule 701 of the Securities Act of 1933, as amended.

1.2 Assumption of Obligations under Cinemark, Inc. 2004 Long Term Incentive Plan. The assumption and substitution of options to acquire Cinemark Holdings, Inc. stock for options to acquire common stock of Cinemark, Inc. granted under the Cinemark, Inc. 2004 Long Term Incentive Plan (collectively, the "Substituted Options") was made in connection with the share exchange agreement, dated August 7, 2006 and consummated on October 5, 2006 among the then current stockholders of Cinemark, Inc., by which the stockholders exchanged their shares of Class A common stock of Cinemark, Inc. for an equal number of shares of Class A common stock of Company. The number of shares subject to each option, the exercise price per share, the option terms, and the vesting provisions of any Substituted Options did not change as a result of this substitution. The Substituted Options will otherwise be subject to the provisions in the present Plan as though this Plan constituted an amendment and restatement of the Cinemark, Inc. 2004 Long Term Incentive Plan. This assumption and substitution is intended not to constitute a modification of the Substituted Options for purposes of Code § 409A and shall be implemented and administered consistent with such intent.

ARTICLE II.
DEFINITIONS

2.1 Definitions. Certain terms used herein shall have the meaning below stated.

(a) "***Administrator***" means the Board or Committee designated to administer the Plan in accordance with Section 7.1.

(b) "***Affiliate***" or " ***Affiliates***" means any Person that directly, or indirectly through one or more intermediaries, controls or is controlled by or is under common control with the Person specified. For purposes of this definition, control of a Person means the power, direct or indirect, to direct or cause the direction of the management and polices of such Person, whether by Contract or otherwise and, in any event and without limitation of the previous sentence, any Person owning ten percent (10%) or more of the voting securities of another Person shall be deemed to control that Person.

(c) "***Award***" means a Restricted Share, an Incentive Option or a Nonqualified Option granted under the Plan.

(d) "***Award Agreement***" means an agreement between the Company and a Participant containing the terms of an Award under this Plan.

(e) "***Board***" or "***Board of Directors***" means the Board of Directors of the Company.

(f) "***Cause***" shall mean "Cause" as defined in any written Service Agreement in effect between the applicable Participant and the Company or a Subsidiary, or if such Participant is not a party to a written Service Agreement in which Cause is defined, then Cause shall mean (i) the abuse of illegal drugs, alcohol or other controlled substances or the intoxication of such Participant during working hours, (ii) the arrest for, or conviction of, a felony, (iii) the commission of fraud, embezzlement or theft by such Participant (iv) the unexcused absence by such Participant from such Participant's regular job location for more than five consecutive days or for more than the aggregate number of days permitted to the Participant under Company vacation and sick leave policies applicable to the Participant or (v) any conduct or activity of such Participant deemed injurious to the Company in the reasonable discretion of the Company or the Board of Directors.

(g) "***Code***" means the Internal Revenue Code of 1986, as amended.

(h) "***Committee***" means the committee of directors appointed by the Board to administer the Plan pursuant to ARTICLE VII hereof.

(i) "***Common Stock***" means (i) the authorized Class A Common Stock of the Company, par value $.001 per share, as constituted on the date the Plan becomes effective or (ii) the shares resulting from a change in the Common Stock as presently constituted which is limited to a change of all of its authorized shares with par value into the same number of shares without par value or as a change in the par value.

(j) "***Company***" means Cinemark Holdings, Inc., a Delaware corporation.

(k) "***Consultant***" means a consultant or advisor who is a natural person and who provides bona fide services to the Company or a Subsidiary, provided such services are not in connection with the offer or sale of securities in a capital-raising transaction and do not directly or indirectly promote or maintain a market for the Company's securities.

(l) "***Corporate Event***" shall have the meaning ascribed to such term in Section 6.5.

(m) "***Covered Employee***" means the chief executive officer and the four other highest compensated officers of the Company for whom total compensation is or would be required to be reported to stockholders under the Exchange Act, as determined for purposes of Section 162(m) of the Code.

(n) ***"Date of Grant"*** means, provided the key terms and conditions of the Award are communicated to the Participant within a reasonable period of time following the Administrator's action, the date on which the Administrator adopts a resolution, or takes other appropriate action, expressly granting an Award to a Participant that specifies the key terms and conditions of the Award and from which the Participant begins to benefit from or be adversely affected by subsequent changes in the Fair Market Value of the Company Common Stock or, if a subsequent date is set forth in such resolution or determined by the Administrator as the Date of Grant, then such date as is set forth in such resolution. In any situation where the terms of the Award are subject to negotiation with the Participant, the Date of Grant shall not be earlier than the date the key terms and conditions of the Award are communicated to the Participant.

(o) "***Designee***" means a party designated by the Company as having the Repurchase Right described in Section 9.3 including, without limitation, the stockholders of the Company on a pro rata basis.

(p) "***Director***" means a member of the Board or a member of the board of directors of a Subsidiary.

(q) **"Disability"** shall mean "Disability" as defined in any written Service Agreement in effect between the applicable Participant and the Company or a Subsidiary, or if such Participant is not a party to a written Service Agreement in which Disability is defined, then "Disability" shall mean a physical or mental impairment that (a) renders Participant unable to perform the essential functions of Participant's Service to the Company or its Subsidiaries, even with reasonable accommodation that does not impose an undue hardship on the Company or its Subsidiaries, (b) has existed for at least sixty (60) consecutive days, and (c) in the opinion of a physician selected by the Company will last for a duration of at least one hundred eight (180) consecutive days. Participant's Disability shall be determined by the Company, in good faith, based upon information supplied by Participant and a physician selected by the Company. For purposes of determining the rules relating to an Incentive Option, the term "Disability" shall have the meaning ascribed to it under Code Section 22(e)(3). Participant shall submit to physical exams and diagnostic tests reasonably recommended by such physician.

(r) "***Employee***" means an officer or other employee of the Company or a Subsidiary.

(s) "***Fair Market Value***" of each share of Common Stock on the date for which Fair Market Value is to be determined will be determined using a method consistent with the definition of fair market value found in Code § 409A and any regulations promulgated thereunder and in effect as of such date, and, where possible, will be determined using a method that is a presumptively reasonable valuation method under the Code and/or the regulations. As of the date of this Agreement, such methods include:

(i) If the Common Stock is readily tradable on an established securities market, the Fair Market Value may be determined based upon the last sale before or the first sale after the grant, the closing price on the trading day before or the trading day of the grant, or may be based upon an average selling price during a specified period that is within 30 days before or 30 days after the grant, provided that the commitment to grant the stock rights based on such valuation method must be irrevocable before the beginning of the specified period, and such valuation method must be used consistently for grants of stock rights under the same and substantially similar programs.

(ii) If at any time the Common Stock is not listed on any securities exchange or readily tradable on a recognized securities market, the Fair Market Value shall be determined in good faith by the Administrator through the reasonable application of a reasonable valuation method based on the facts and circumstances as of the valuation date, including by an independent appraisal that meets the requirements of Code § 401(a)(28)(C) and the regulations promulgated thereunder as of a date that is no more than 12 months before the relevant transaction to which the valuation is applied (for example, the grant date of a stock option) and such determination shall be conclusive and binding on all persons.

(t) "***Immediate Family***" has the meaning given to such term in Section 5.4(c).

(u) "***Incentive Option***" means an Option intended to qualify as an incentive stock option under Section 422 of the Code.

(v) "***Incentive Option Agreement***" has the meaning given to such term in Section 5.2.

(w) ***"Non-Employee Director"*** means a Director who is a "non-employee director" within the meaning of Rule 16b-3.

(x) "***Nonqualified Option***" means an Option that is not intended to qualify as an Incentive Option.

(y) "***Nonqualified Option Agreement***" has the meaning given to such term in Section 5.3.

(z) "***Option***" means an option to purchase Common Stock granted by the Administrator to a Participant pursuant to ARTICLE V hereof.

(aa) "***Option Agreement***" means an Incentive Option Agreement and/or a Nonqualified Option Agreement, as applicable.

(bb) "***Option Shares***" means shares of Common Stock purchased as a result of the exercise by an Option holder of an Option, as well as any securities received by the holder in respect of such Option Shares.

(cc) "***Optionholder***" means a Participant to whom an Option has been granted under the Plan.

(dd) “***Outside Director***” means a Director who is an “outside director” within the meaning of Section 162(m) of the Code and Treasury Regulations § 1.162-27(e)(3).

(ee) “***Participant***” means an Employee, Director or Consultant to whom Incentive Options, Nonqualified Options or Restricted Shares have been granted or awarded under the Plan.

(ff) “***Permitted Transferee***” has the meaning given to such term in Section 5.4(c).

(gg) “***Person***” means a natural person, partnership (whether general or limited), limited liability company, trust, estate, association, corporation, custodian, nominee or any other individual or entity in its own or any representative capacity.

(hh) “***Plan***” means the Cinemark Holdings, Inc. 2006 Long Term Incentive Plan, as set forth herein and as from time to time amended.

(ii) “***Publicly Traded***” shall mean corporate stock that is listed or admitted to unlisted trading privileges on a national securities exchange or other recognized securities market.

(jj) “***Requisite Holders***” means the holders of the Company’s capital stock constituting more than 50% of the Company’s voting power of all classes of Common Stock of the Company then outstanding.

(kk) “***Restricted Shares***” means the shares of Common Stock that are awarded to a Participant pursuant to Section 5.5 which on the date of award are both nontransferable and subject to a substantial risk of forfeiture.

(ll) “***Restricted Period***” means the period during which the Restricted Shares remain nontransferable and subject to the substantial risk of forfeiture.

(mm) “***Sale of the Company***” means the “Sale of the Company” as defined in any written Service Agreement in effect between the applicable Participant and the Company or a Subsidiary, or if such Participant is not a party to a written Service Agreement in which “Sale of the Company” is defined, the “Sale of the Company” shall mean the sale of the Company to a Person or Persons, pursuant to which such Person or Persons directly or indirectly acquire (i) capital stock of the Company possessing the voting power under normal circumstances to elect a majority of the Company’s board of directors or entitling such Person or Persons to exercise more than fifty percent (50%) of the total voting power of the outstanding shares of capital stock entitled to vote of the Company or of the surviving entity (whether by merger, consolidation or sale or transfer of the Company’s capital stock) or (ii) all or substantially all of the Company’s assets determined on a consolidated basis.

(nn) “***Service***” means service provided to the Company or a Subsidiary as an Employee, Director or Consultant.

(oo) "***Service Agreement***" means any written agreement between a Participant and the Company or any of its Subsidiaries regarding the provision of Service to the Company or any of its Subsidiaries by such Participant.

(pp) "***Securities Laws***" means the Securities Act of 1933, as amended, and the Securities Exchange Act of 1934, as amended.

(qq) "***Stockholders Agreement"*** means that certain Stockholder Agreement dated April 2, 2004 among the Company, Madison Dearborn Capital Partners IV, L.P., the Mitchell Investors (as defined therein) and certain Executives (as defined therein) of the Company, as amended from time to time.

(rr) "***Subsidiary***" or "***Subsidiaries***" means , as to any Person, any other Person (i) of which such Person or any other Subsidiary of such Person is a general partner, (ii) of which such Person, any one or more of its other subsidiaries of such Person, or such Person and any one or more of its other Subsidiaries, directly or indirectly owns or controls securities or other equity interests representing more than fifty percent (50%) of the aggregate voting power, or (iii) of which such Person, any one or more of its other Subsidiaries of such Person, or such Person and any one or more of its other Subsidiaries, possesses he right to elect more than fifty percent (50%) of the board of directors or Persons holding similar positions; provided, however, with respect to determining rules relating to Incentive Options, the term "Subsidiary" or "Subsidiaries" shall mean a subsidiary of the Company within the meaning of Section 424(f) of the Code.

ARTICLE III.
STOCKHOLDER APPROVAL; RESERVATION OF SHARES

3.1 Stockholder Approval. The Plan shall become effective only if, within 12 months from the date the Plan is adopted by the Board, the Plan is approved by the affirmative vote of the Requisite Holders, or by written consent of such Requisite Holders, in accordance with the applicable provisions of the Certificate of Incorporation and Bylaws of the Company and applicable state law. The Board may, in its sole discretion, submit any other amendment to the Plan for stockholder approval, including, but not limited to, amendments to the Plan intended to satisfy the requirements of Section 162(m) of the Code and the regulations thereunder regarding the exclusion of performance-based compensation from the limit on corporate deductibility of compensation paid to certain executive officers, or amendments to satisfy Section 409A of the Code and the regulations thereunder regarding requirements for deferred compensation plans.

3.2 Shares Reserved Under Plan. The aggregate number of shares of Common Stock which may be issued, whether upon the exercise of Options granted under the Plan or as Restricted Shares granted under the Plan, shall not exceed 3,074,991 shares (as such shares may be adjusted pursuant to Section 9.4 of the Plan). When the exercise price for an Option granted under this Plan is paid with previously outstanding shares of Common Stock or with shares of Common Stock as to which the Option is being exercised, as permitted in Section 5.4(f), the total number of shares of Common Stock for which Options granted under this Plan may thereafter be exercised shall be irrevocably reduced by the total number of shares for which such Option is thus exercised. Shares of Common Stock issued upon the exercise of Options granted under the Plan and Restricted Shares granted under the Plan may consist of either authorized but unissued shares or shares which have been issued and which shall have been heretofore or shall be hereafter reacquired by the Company. The total number of shares of Common Stock authorized under the Plan shall be subject to increase or decrease in order to give effect to the provisions of Section 9.4 hereof and to give effect to any amendment adopted pursuant to ARTICLE VIII. If any Option granted under the Plan shall expire, terminate or be cancelled for any reason without having been exercised in full, the number of shares as to which such Option was not exercised shall again be available for purposes of the Plan. If any Restricted Shares granted under the Plan are terminated, cancelled or forfeited for any reason, such Restricted Shares shall again be available for purposes of the Plan. The Company shall at all times while the Plan is in effect reserve such number of shares of Common Stock, subject to this Section 3.1, as will be sufficient to satisfy the requirements of the Plan.

ARTICLE IV.
PARTICIPATION IN PLAN

4.1 Eligibility. Awards under the Plan may be granted to any Employee, Director or Consultant of the Company or a Subsidiary. The Administrator shall determine those Employees, Directors and Consultants to whom Awards shall be granted, and, subject to Section 3.1 hereof, the number of shares of Common Stock subject to each such Award. The grant of an Award under the Plan to a Participant shall not be deemed either to entitle such Participant to, or disqualify such Participant from, participation in any other grant of Awards under the Plan.

4.2 Participation Not Guarantee of Service. Subject to the terms of any Service Agreement with a Participant, nothing in this Plan or in any Award Agreement shall in any manner be construed to limit in any way the right of the Company or any Subsidiary to terminate a Participant's Service at any time, without regard to the effect of such termination on any rights such Participant would otherwise have under this Plan or any Award Agreement, or to give any right to a Participant to remain employed or retained by the Company or a Subsidiary thereof in any particular position or at any particular rate of compensation.

4.3 Effect of Plan. Neither the adoption of the Plan nor any action of the Board, the Committee or the Administrator shall be deemed to give any Employee, Director or Consultant any right to be granted an Award or any other rights, except as may be evidenced by an Award Agreement, or any amendment thereto, duly authorized by the Administrator and executed on behalf of the Company, and then only to the extent and on the terms and conditions expressly set forth in such Award Agreement. The existence of the Plan and the Awards granted hereunder shall not affect in any way the right of the Board or the stockholders of the Company to make or authorize any adjustment, recapitalization, reorganization or other change in the Company's capital structure or its business, any merger or consolidation of the Company, any issue of bonds, debentures, or shares of preferred stock ahead of or affecting the Common Stock or the rights thereof, the dissolution or liquidation of the Company or any sale or transfer of all or any part of its assets or business, or any other corporate act or proceeding.

ARTICLE V.
GRANT AND EXERCISE OF OPTIONS; GRANT OF RESTRICTED SHARES

5.1 Grant of Options. The Administrator may from time to time in its discretion grant Options, which may be Incentive Options or Nonqualified Options, to Employees, Directors or Consultants. All Options under the Plan shall be granted within ten years from the date the Plan is adopted by the Board or the date the Plan is approved by the Requisite Holders, whichever is earlier.

5.2 Incentive Options. The Administrator may authorize the grant of Incentive Options subject to the terms and conditions set forth herein. The grant of an Incentive Option shall be evidenced by a written agreement between the Company and the Optionholder setting forth the number of shares of Common Stock subject to the Incentive Option evidenced thereby and the terms, conditions and restrictions applicable thereto (an "***Incentive Option Agreement***"). The aggregate Fair Market Value of the Common Stock with respect to which Incentive Options granted under all incentive stock option plans of the Company and its Subsidiaries are exercisable for the first time by the Optionholder during any calendar year shall not exceed $100,000 or such other threshold in accordance with applicable law. Incentive Options may only be granted to Employees.

5.3 Nonqualified Options. The Administrator may authorize the grant of Nonqualified Options subject to the terms and conditions set forth herein. The grant of a Nonqualified Option shall be evidenced by a written agreement between the Company and the Optionholder setting forth the number of shares of Common Stock subject to the Nonqualified Option evidenced thereby and the terms, conditions and restrictions applicable thereto (a "***Nonqualified Option Agreement***").

5.4 Option Terms. Options granted under the Plan shall be subject to the following requirements:

(a) Option Price. The exercise price of each Incentive Option granted under the Plan shall not be less than the greater of (i) the aggregate par value of the underlying shares of Common Stock and (ii) 100% of the Fair Market Value of the underlying shares of Common Stock on the date the Option is granted. The exercise price of any Nonqualified Options granted under the Plan shall not be less than the Fair Market Value of the underlying shares of Common Stock on the Date of Grant. The exercise price of an Option may be subject to adjustment pursuant to Section 9.4 hereof.

(b) Term of Option. The term during which an Option is exercisable shall be that period determined by the Administrator as set forth in the applicable Option Agreement, provided that no Option shall have a term that exceeds a period of ten years from the date of its grant. Notwithstanding anything herein to the contrary, no portion of an Option may be exercised after the end of the term of such Option.

(c) Nontransferability of Options. Any Option granted under the Plan shall not be transferable by the Optionholder other than by will or the laws of descent and distribution, and each such Option shall be exercisable during the Optionholder's lifetime only by him or her.

No transfer of an Option by an Optionholder by will or by the laws of descent and distribution shall be effective to bind the Company unless the Company shall have been furnished with written notice thereof and a copy of the will and/or such other evidence as the Administrator may determine necessary to establish the validity of the transfer. Notwithstanding the foregoing, the Administrator, in its sole discretion, may permit the transfer of a Nonqualified Option as follows: (i) by gift to a member of the Optionholder's immediate family or (ii) by transfer by instrument to a trust providing that the Option is to be passed to beneficiaries upon death of the trustor (the recipient of the Nonqualified Option under either or both of (i) or (ii) immediately above is referred to herein as a "***Permitted Transferee***"). For purposes of this Section 5.4(c) "immediate family" shall mean the Optionholder's spouse (but shall not include a former spouse), child, stepchild, grandchild, child-in-law, parent, stepparent, grandparent, parent-in-law, sibling, and sibling-in-law and shall include adoptive relationships. A transfer of a Nonqualified Option permitted under this Section 5.4(c) may be made only upon written notice to and approval thereof by the Administrator. A Permitted Transferee may not further assign, sell or transfer the transferred Option, in whole or in part, other than by will or by operation of the laws of descent and distribution provided that the Company shall have been furnished with written notice thereof and a copy of the will and/or such other evidence as the Administrator may determine necessary to establish the validity of the transfer. In addition, following the transfer, the Nonqualified Option shall continue to be subject to the terms of this Plan and the Option Agreement evidencing the Nonqualified Option; provided, however, that where appropriate, the term "***Optionholder***" shall be deemed to apply to the Permitted Transferee. Upon the termination of Service of the Optionholder, the provisions of this Plan or the Option Agreement pursuant to which the Option was granted will apply to the Permitted Transferee as if such Permitted Transferee was substituted for the Optionholder in such provisions.

(d) Time and Amount Exercisable. Each Option shall be exercisable in accordance with the provisions of the Option Agreement pursuant to which it is granted in whole or in part, from time to time, subject to any limitations with respect to the number of shares of Common Stock for which the Option may be exercised at a particular time and to such other conditions as the Administrator, in its discretion, may specify in the applicable Option Agreement. Any portion of an Option which has become exercisable shall remain exercisable until it is exercised in full or it terminates or expires pursuant to the terms of the Plan or the applicable Option Agreement. The Administrator may provide that an Option may be immediately exercisable and provide that upon exercise of the Option, the Optionholder shall receive Restricted Shares subject to any remaining vesting restrictions on such Option.

(e) Terms of Incentive Options Granted to Ten Percent Stockholders Notwithstanding the foregoing, no Incentive Option shall be granted to any Employee who owns, directly or indirectly within the meaning of Section 424(d) of the Code, stock possessing more than 10% of the total combined voting power of all classes of stock of the Company or any Subsidiary, unless at the time the Incentive Option is granted, the exercise price of the Incentive Option is at least 110% of the Fair Market Value of the Common Stock subject to such Incentive Option and such Incentive Option, by its terms, is not exercisable after the expiration of five years from the date such Incentive Option is granted. For the purpose of clarification the limitations contained in this Section 5.4(e) shall not apply to the grant of Nonqualified Options.

(f) Payment of Exercise Price and Delivery of Shares. The entire exercise price of shares of Common Stock purchased upon exercise of Options shall, at the time of purchase, be paid for in full (the "***Exercise Price***"). To the extent that the right to purchase shares has become exercisable in accordance with the terms of the Plan and the applicable Option Agreement, Options may be exercised from time to time by written notice to the Administrator, stating the full number of shares with respect to which the Option is being exercised and the proposed time of delivery thereof (which shall be at least five (5) days after the giving of such notice, unless an earlier date shall have been mutually agreed upon by the Optionholder (or other person entitled to exercise the Option) and the Administrator), accompanied by payment to the Company of the Exercise Price in full . Such payment shall be effected (i) by certified or official bank check, (ii) if so permitted by the Administrator, by the delivery of a number of shares of Common Stock owned by the Participant for at least six months (or such other period as may be established from time to time by the Administrator or required by generally accepted accounting principles) (the "Requisite Holding Period") duly endorsed for transfer to the Company (plus cash if necessary) having a Fair Market Value equal to the amount of such Exercise Price (iii) if so permitted by the Administrator, by payment with financial assistance from the Company in accordance with the provisions of Section 7.4 hereof or (iv) in the case of an Option, during any period for which the Common Stock is publicly traded (i.e., the Common Stock is listed on any established stock exchange or readily tradable on a recognized securities market or any similar system whereby the stock is regularly quoted by a recognized securities dealer), by a copy of instructions to a broker directing such broker to sell the Common Stock for which such Option is exercised, and to remit to the Company the aggregate Exercise Price of such Options (a "*Cashless Exercise*") ; provided, however, a Cashless Exercise by a Director or executive officer that involves or may involve a direct or indirect extension of credit or arrangement of an extension of credit by the Company or a Subsidiary in violation of Section 402(a) of the Sarbanes-Oxley Act (codified as Section 13(k) of the Securities Exchange Act of 1934, 15 U.S.C. § 78m(k)) shall be prohibited**.** In addition to payment of the Exercise Price, the Optionholder shall be required to include payment of the amount of all federal, state, local or other income, excise or employment taxes subject to withholding (if any) by the Company or a Subsidiary as a result of the exercise of an Option. The Optionholder may pay all or a portion of the tax withholding by cash or check payable to the Company, or, at the discretion of the Administrator, upon such terms as the Administrator shall approve, by (i) certified or official bank check (ii) Cashless Exercise, if the Stock is publicly traded and the cashless exercise does not violate Section 402(a) of the Sarbanes-Oxley Act; (iii) tendering Common Stock owned by the Optionholder meeting the Requisite Holding Period, duly endorsed for transfer to the Company, with a Fair Market Value on the date of delivery equal to the withholding due for the number of shares being exercised or purchased; (iv) in the case of an Option, by paying all or a portion of the tax withholding for the number of shares being purchased by withholding shares from any transfer or payment to the Optionholder ("Stock Withholding"); or (v) a combination of one or more of the foregoing payment methods. Any shares issued pursuant to the exercise of an Option and transferred by the Optionholder to the Company for the purpose of satisfying any withholding obligation shall not again be available for issuance under the Plan. The Administrator will, as soon as reasonably possible, notify the Optionholder (or such Optionholder's representative) of the amount of employment tax and other withholding tax that must be paid under federal, state and local law due to the exercise of the Option. At the time of delivery, the Company shall, without transfer or issue tax to the

Optionholder (or other person entitled to exercise the Option), deliver to the Optionholder (or to such other person) at the principal office of the Company, or such other place as shall be mutually agreed upon, a certificate or certificates for the Option Shares after the Exercise Price and all federal, state, local or other income, excise or employment taxes subject to withholding have been paid; provided, however, that the time of delivery may be postponed by the Administrator for such period as may be required for it with reasonable diligence to comply with any requirements of law.

(g) Rights of Optionholder in Common Stock. Neither any Optionholder nor the legal representatives, heirs, legatees, distributees or Permitted Transferees of any Optionholder shall be deemed to be the holder of, or to have any of the rights of a holder with respect to, any Option Shares unless and until such shares of Common Stock are issued to such Person and such Person has received a certificate or certificates therefor. Upon the issuance and receipt of such certificate or certificates, such Option holder shall have absolute ownership of the shares of Common Stock evidenced thereby, including the right to vote such shares, to the same extent as any other owner of shares of Common Stock, and to receive dividends thereon, subject, however, to the terms, conditions and restrictions of the Plan, the Stockholders Agreement, and any other undertakings of such holder of Common Stock.

5.5 Restricted Shares.

(a) General. The Administrator, in its sole discretion, may from time to time authorize the grant of Restricted Shares to Employees, Directors or Consultants. The Administrator may determine the basis on which the restrictions imposed on the Restricted Shares may lapse. A certificate or certificates representing the number of Restricted Shares granted shall be registered in the name of the Participant. Until the expiration of the Restriction Period or the lapse of restrictions in the manner provided in Section 5.5(c) or ARTICLE VI, the certificate or certificates shall be held by the Company for the account of the Participant, and the Participant shall have beneficial ownership of the Restricted Shares, subject to the provisions of paragraph 5.5(b).

(b) Restrictions. Until the expiration of the Restriction Period or the lapse of restrictions in the manner provided in paragraph 5.5(c) or ARTICLE VI, Restricted Shares shall be subject to the following restrictions and any additional restrictions that the Administrator, in its sole discretion, may from time to time deem desirable in furtherance of the objectives of the Plan:

(i) The Participant shall not be entitled to receive the certificate or certificates representing the Restricted Shares;

(ii) The Restricted Shares may not be sold, transferred, assigned, pledged, conveyed, hypothecated, or otherwise disposed of;

(iii) The Restricted Shares will be forfeited immediately upon termination of Participant’s employment with the Company or one of its Subsidiaries, unless otherwise expressly provided herein or in the Award Agreement pursuant to such Restricted Shares were granted; and

(iv) The holder of Restricted Shares shall not be entitled to receive dividends thereon or to vote such Restricted Shares.

(c) Waiver of Restrictions. The Administrator, in its sole discretion, may waive any or all restrictions with respect to Restricted Shares.

(d) Distribution of Restricted Shares. If a Participant to whom Restricted Shares have been granted continues to provide Services to the Company or a Subsidiary during the Restriction Period set forth in the Award Agreement, and all other applicable provisions of this Plan have been complied with, then upon the expiration of the Restriction Period all restrictions applicable to the Restricted Shares shall lapse, and the certificate or certificates representing the shares of Common Stock that were granted to the Participant in the form of Restricted Shares shall be delivered to the Participant.

(e) Agreement. An award of Restricted Shares hereunder shall be evidenced by an Award Agreement containing such terms and provisions as are approved by the Administrator, but not inconsistent with the Plan. The Company shall execute such Award Agreements upon instructions from the Administrator.

(f) Section 83(b) Election. Within thirty days after date a Participant is awarded Restricted Shares hereunder, the Participant may file a Code Section 83(b) election with the Internal Revenue Service with respect to all or a portion of the Restricted Shares. The Code Section 83(b) election, if any, shall be filed in compliance with the Treasury regulations promulgated pursuant to Code Section 83(b) of the Code.

ARTICLE VI.
TERMINATION OF SERVICE; SALE OF THE COMPANY; CORPORATE EVENT; DISSOLUTION OR LIQUIDATION

6.1 Termination of Service for Cause. In the event that a Participant's Service with the Company or a Subsidiary shall terminate for Cause, immediately upon such termination of Service all Options granted to the Participant pursuant to this Plan shall terminate and the Company shall repurchase such Restricted Shares at the cost paid by the Participant and the Company shall cancel such Restricted Shares, and such Options and Restricted Shares shall be of no further force or effect.

6.2 Death or Disability.

(a) In the event that a Participant's Service to the Company or a Subsidiary is terminated because of Participant's death or Disability, the Participant or his estate or legal representative, as applicable, shall have the right to:

(i) exercise any Options granted hereunder at any time within one year after the date of termination of the Participant's Service due to death or six months after the date of termination of the Participant's Service due to Disability unless a longer period is otherwise required by the Code (but in no event later than the date on which the Option otherwise would have expired by its terms) only to the extent the Participant was entitled to exercise his Option immediately prior to such date of termination; provided that, in addition to the Options held by such Participant that have already vested as of such date of termination, the lesser of (A) an additional twenty percent (20%) of the number of shares of Common Stock covered by the Option and (B) the remaining amount of unvested shares of Common Stock covered by the Option shall become vested and exercisable on the date of termination due to death or Disability; and

(ii) receive certificates for (x) all Restricted Shares on which the restrictions have lapsed in accordance with the Plan and the applicable Award Agreement and for which certificates have not previously been delivered by the Company as of the date of termination, and (y) the lesser of (A) an additional twenty percent (20%) of the number of Restricted Shares covered by the applicable Award Agreement measured as of the date of termination and (B) the remaining Restricted Shares covered by the applicable Award Agreement on which the restrictions have not lapsed as of the date of termination. The Company shall as promptly as practical deliver the certificates required to be delivered under this Section 6.2(a)(ii) to the Participant, his estate, or legal representative, as applicable.

(b) If a Participant dies during the three-month period after the termination of his Service to the Company or a Subsidiary and at the time of his death the Participant was entitled to exercise an Option theretofore granted to him, the Option shall, unless the applicable Option Agreement provides otherwise, expire one year after the date on which his position as an Employee, Director or Consultant of the Company or a Subsidiary terminated, but in no event later than the date on which the Option would have expired if the Participant had lived. Until the expiration of such period the Option may be exercised by the Participant's executor or administrator or by any person or persons who shall have acquired the Option directly from the Participant by will or in accordance with the laws of descent and distribution, upon delivery of written notice thereof, a copy of the will, or such other evidence as the Administrator may determine necessary to establish the validity of the Transfer, but only to the extent that the Participant was entitled to exercise the Option at the date of his death and, to the extent the Option is not so exercised, it shall expire at the end of such period.

6.3 Other Terminations. In the event that a Participant's Service to the Company or a Subsidiary terminates other than for Cause or due to a Participant's death or Disability pursuant to Sections 6.1 or 6.2 above, as applicable, the Participant shall have the right to (i) exercise any unexercised Options at any time within three months after such termination to the extent such Participant was entitled to exercise the same immediately prior to such termination and (ii) receive certificates for all Restricted Shares on which the restrictions have lapsed in accordance with this Plan and the applicable Award Agreement and for which certificates have not previously been delivered by the Company as of the date of termination. To the extent that restrictions on any Restricted Shares have not lapsed as of such termination date, the Company shall purchase any such Restricted Shares on which the restrictions have not lapsed at the cost paid by the Participant and the Company shall cancel such Restricted Shares as of such date and such Restricted Shares shall be of no further force or effect. To the extent that any Option is not exercised in accordance with this Section 6.3, such Option shall expire at the end of the three-month period beginning on the termination date.

6.4 Sale of the Company. With respect to Options, upon a Sale of the Company, all outstanding Options shall become fully vested and exercisable without regard to the limitations on exerciseability contained in Section 5.4 or the applicable Option Agreement immediately prior to such transaction. With respect to Restricted Shares, upon a Sale of the Company, all restrictions shall lapse automatically and the Administrator shall deliver certificates representing such Restricted Shares to the Participant as promptly as practical prior to the consummation of such Sale of the Company. Upon the Sale of the Company, the Committee shall (i) cancel any or all outstanding Options under the Plan in consideration for payment to the Participants thereof of an amount equal to the portion of the consideration that would have been payable to such Participants pursuant to such transaction giving effect to the accelerated vesting and as if such Options had been fully vested immediately prior to such transaction, less the aggregate exercise price that would have been payable therefore and any required withholding tax and (ii) cause all Restricted Shares to be purchased for an equivalent consideration payable in such transaction. Payment of any amount payable pursuant to the preceding sentence may be made in cash or, in the event that the consideration to be received in such transaction includes securities or other property, in cash and/or publicly tradable securities in the Committee's discretion.

6.5 Corporate Event. In the event of any corporate separation or division, including, but not limited to, a split-up, a split-off or a spin-off of the assets of the Company; a merger, consolidation or exchange in which the Company is not the surviving entity; or a reverse merger or other exchange in which the Company is the surviving entity, but the shares of Company Common Stock outstanding immediately preceding the merger are converted by virtue of the merger or exchange into other property, whether in the form of securities, cash or otherwise that does not constitute a Sale of the Company (collectively, a "***Corporate Event***"), then, the Company, to the extent permitted by applicable law, but otherwise in its sole discretion may provide for: (i) the continuation of outstanding Awards by the Company (if the Company is the surviving entity); (ii) the assumption of the Plan and such outstanding Awards by the surviving entity or its parent; or (iii) the substitution by the surviving entity or its parent of Awards with substantially the same terms for such outstanding Awards.

6.6 Dissolution or Liquidation of the Company. In the event of the proposed dissolution or liquidation of the Company that does not constitute a Sale of the Company, outstanding Awards granted hereunder shall terminate as of a date to be fixed by the Administrator; provided that not less than fifteen days' prior written notice of the date so fixed shall be given to each Participant, and each Participant shall have the right, (i) to exercise his or her Options to the extent they are vested and exercisable and purchase or receive the full number of shares of Common Stock not previously exercised under such Options as applicable, if (and only if) such Options have not at the time expired or been terminated and (ii) to receive certificates for all of Participant's Restricted Shares on which all restrictions have lapsed in accordance with the Plan and the applicable Award Agreement and for which certificates have not already been delivered prior to such termination date. Failing such exercise, any unexercised portion of all Options granted hereunder and all Restricted Shares on which restrictions have not lapsed as of the termination date shall be forfeited and deemed cancelled as of the effective date of such liquidation or dissolution. The Company shall deliver the certificates required to be delivered by clause (ii) of the immediately preceding sentence no later than 3 days prior to the termination date.

6.7 Subject to Repurchase. All shares of Common Stock purchased by an Optionholder or his or her Permitted Transferee and all Restricted Shares granted hereunder shall be subject to repurchase pursuant to Section 9.3 of this Plan.

6.8 Alternative Provisions. The provisions of this ARTICLE VI shall apply to all Options granted under the Plan except to the extent expressly provided otherwise in any Option Agreement.

ARTICLE VII.
ADMINISTRATION OF PLAN

7.1 Administration. The Plan shall be administered by the Board of Directors or a Committee of the Board of Directors in accordance with the terms of this ARTICLE VII (the "***Administrator***"). Any such committee appointed by the Board, or the Board itself during such periods as no such properly constituted and appointed committee exists, is herein referred to as the "***Committee***." If the Common Stock of the Company is Publicly Traded, the Committee shall consist of not less than two Directors appointed to the Committee by the Board, each of whom shall be members of the Board and each of whom shall qualify as (i) Non-Employee Directors (within the meaning of Item 404 of Regulation S-K of the Securities Act of 1933, as amended) and (ii) Outside Directors within the meaning of Treas. Reg. §1.162-27(e)(3) as may be appointed by the Board of the Company, all of whom are members of the Board. However, the Board shall have discretion to determine whether or not it intends to comply with the exemption requirements of Rule 16b-3 and/or Section 162(m) of the Code. If the Board intends to satisfy such exemption requirements, with respect to Awards to any Covered Employee and with respect to any insider subject to Section 16 of the Exchange Act, the Committee shall be a compensation committee of the Board that at all times consists solely of two or more Non-Employee Directors who are also Outside Directors. Within the scope of such authority, the Board or the Committee may (i) delegate to a committee of one or more members of the Board who are not Outside Directors the authority to grant Awards to eligible persons who are either (A) not then Covered Employees and are not expected to be Covered Employees at the time of recognition of income resulting from such Award or (B) not persons with respect to whom the Company wishes to comply with Section 162(m) of the Code or (ii) delegate to a committee of one or more members of the Board who are not Non-Employee Directors the authority to grant Awards to eligible persons who are not then subject to Section 16 of the Exchange Act. Nothing herein shall create an inference that an option is not validly granted under the Plan in the event Awards are granted under the Plan by a compensation committee of the Board that does not at all times consist solely of two or more Non-Employee Directors who are also Outside Directors. A majority of the Committee shall constitute a quorum thereof and the actions of a majority of the Committee approved at a meeting at which a quorum is present, or actions unanimously approved in writing by all members of the Committee, shall be the actions of the Committee. Vacancies occurring on the Committee shall be filled by the Board. The Board shall have full and final authority (i) to interpret the Plan and each of the Option Agreements and other Award Agreements evidencing Restricted Shares, (ii) to prescribe, amend and rescind rules and regulations, if any, relating to the Plan, (iii) to make all determinations necessary or advisable for the administration of the Plan, (iv) to correct any defect, supply any omission and reconcile any inconsistency in the Plan and any Option Agreements or other Award Agreements evidencing

Restricted Shares and (v) to amend any outstanding Option Agreements and other Award Agreements evidencing Restricted Shares (collectively "Rights") for the purpose of modifying the time or manner of vesting, the Purchase Price or Exercise Price, as the case may be, subject to applicable legal restrictions; provided, however, that if any such amendment impairs a Participant's Rights or increases a Participant's obligations under such Participant's Right, such amendment shall also be subject to the Participant's consent. For the purposes of clarity, a purchase of a Participant's Rights in accordance with this Plan or the applicable Award in which the Participant receives consideration for such Right shall in no event be deemed an impairment of the Participant's Rights that requires consent from such Participant. The determination by the Board in all matters referred to herein shall be conclusive and binding for all purposes and upon all persons, including, without limitation, the Company, the stockholders of the Company, the Administrator, and each of the members thereof, and the Optionholders and the Participants and their respective successors in interest. The Board may delegate such authority to the Committee (if the Board is not the Administrator) with respect to this Plan as it deems to be in the Company's best interests in its sole discretion, pursuant to a resolution of the Board granting such authority. However, the Board will retain ultimate authority in all matters related to this Plan or any Awards granted hereunder.

7.2 Liability. No member of the Board or any Committee shall be liable for anything done or omitted to be done by him or by any other member of the Board or any Committee in connection with the Plan, except for his own willful misconduct or gross negligence (unless the Company's Certificate of Incorporation or Bylaws, or any indemnification agreement between the Company and such person, in each case in accordance with applicable law, provides otherwise). The Board and any Committee shall have power to engage outside consultants, auditors or other professional help to assist in the fulfillment of the duties of the Board or any Committee under the Plan at the Company's expense.

7.3 Determinations. In making its determinations concerning the Participants who shall receive Options and awards of Restricted Shares, as well as the number of shares of Common Stock to be covered thereby and the time or times at which they shall be granted, the Administrator shall take into account the nature of the Service rendered by such Participants, their past, present and potential contribution to the Company's success and such factors as the Administrator may deem relevant. The Administrator shall determine the form of Award Agreements evidencing Awards under the Plan and the terms and conditions to be included therein; provided such terms and conditions are not inconsistent with the terms of the Plan, the Company's Certificate of Incorporation or Bylaws. The Administrator may waive any provisions of any Award Agreement, provided such waiver is not inconsistent with the terms of the Plan, the Company's Certificate of Incorporation or Bylaws. The determinations of the Administrator under the Plan need not be uniform and may be made by it selectively among persons who receive, or are eligible to receive, Options or Restricted Shares under the Plan, whether or not such persons are similarly situated. All powers exercised by the Administrator hereunder shall be subject to the ultimate authority of the Board.

7.4 Financial Assistance. Subject to any prohibitions, restrictions or other requirements contained in the Securities Laws and any other applicable law, and prior to the Company becoming a registrant or an issuer under the Securities Laws, the Company is vested with authority under this Plan to assist any Participant to whom an Option is granted hereunder in the payment of the Exercise Price payable on exercise of that Option by lending the amount of such Exercise Price to such Participant pursuant to a full recourse promissory note on such terms and at such rates of interest and upon such security (or unsecured) as shall have been authorized by or under authority of the Administrator. Notwithstanding the foregoing, in the event there is a stated par value of the Common Stock and applicable law requires, the par value of the Common Stock, if newly issued, shall be paid in cash or cash equivalents. The interest rate payable under the terms of the promissory note shall not be less than the minimum rate (if any) required to avoid the imputation of additional interest under the Code. Unless the Board determines otherwise, shares of Common Stock having a Fair Market Value at least equal to the principal amount of the loan shall be pledged by the holder to the Company as security for payment of the unpaid balance of the loan and such pledge shall be evidenced by a pledge agreement, the terms of which shall be determined by the Board, in its discretion; provided, however, that each loan shall comply with all applicable laws, regulations and rules of the Board of Governors of the Federal Reserve System and any other governmental agency having jurisdiction. Notwithstanding the foregoing, all financial assistance provided by the Company to a Participant pursuant to this Section 7.4 shall be repaid in full no later than immediately prior to the Company becoming a registrant or an issuer under the Securities Laws.

7.5 Withholding. The Administrator may establish such rules and procedures as it considers desirable in order to satisfy any obligation of the Company or its Subsidiaries to withhold Federal, state or local income tax or other employment taxes with respect to any Awards granted, exercised or surrendered under the Plan.

ARTICLE VIII.
AMENDMENT AND TERMINATION OF PLAN

8.1 Amendment of Plan. The Plan may be amended at any time and from time to time by the Board, but no amendment which (i) increases the aggregate number of shares of Common Stock which may be issued pursuant to Awards granted under the Plan or (ii) changes the class of individuals eligible to be granted Awards, shall be effective unless and until the same is approved by the Requisite Holders or the written consent of such Requisite Holders. Notwithstanding the foregoing and subject to the provisions of Section 8.4, no amendment to the Plan that has a material, adverse affect on a Participant with regard to outstanding Awards shall be effective, without the consent of such Participant.

8.2 Other Award Provisions. Options and Restricted Share awards granted under this Plan shall contain such other terms and provisions which are not inconsistent with this Plan, the Stockholders Agreement or other undertakings of the Participant in his/her capacity as such or as a holder of Common Stock or Restricted Shares, as the Board or Committee may authorize, including but not limited to (a) vesting schedules governing the exercisability of such Options and Restricted Shares, (b) provisions for acceleration of such vesting schedules in certain events, (c) arrangements whereby the Company may fulfill any tax withholding obligations it may have in connection with the exercise of such Options and Restricted Shares, (d) provisions imposing restrictions upon the transferability of Common Stock acquired on exercise of such Options or Restricted Shares, whether required by this Plan, Securities Laws or imposed for other reasons, and (e) provisions regarding the termination or survival of any such Options or Restricted

Shares, upon the Participant's death, Disability, retirement or other termination of Service and the extent, if any, to which any such Options may be exercised or the restrictions on any Restricted Shares may be caused to lapse after such event. Incentive Options shall contain the terms and provisions required of them under the Code.

8.3 Termination. The Board may, at any time, terminate the Plan as of any date specified in a resolution adopted by the Board. If not earlier terminated, the Plan shall terminate on September 29, 2014. No Options or Restricted Shares may be granted or awarded after the Plan has terminated, but the Administrator shall continue to supervise the administration of Options or Restricted Shares previously granted or awarded.

8.4 Tax Status of Options. To the extent applicable, the Plan is intended to permit the issuance of Incentive Options to Employees in accordance with the provisions of Section 422 of the Code. Subject to the provision of Sections 7.4 and 8.1 of the Plan, the Plan and Option Agreements may be modified or amended at any time, both prospectively and retroactively, and in a manner that may affect Options previously granted, if such amendment or modification is necessary for the Plan and Options granted hereunder to qualify under said provision of the Code. It is expressly contemplated that the Board may amend the Plan in any respect the Board deems necessary or advisable to provide eligible Participants with the maximum benefits provided or to be provided under the provisions of the Code and the regulations promulgated thereunder relating to Incentive Stock Options or to the nonqualified deferred compensation provisions of Section 409A of the Code and/or to bring the Plan and/or Awards granted under it into compliance therewith. For the avoidance of doubt, the Company shall have no liability to any Participant or any other person if an Option designated as an Incentive Stock Option fails to qualify as such at any time or if an Option is determined to constitute "nonqualified deferred compensation" within the meaning of Section 409A of the Code and the terms of such Option do not satisfy the additional conditions applicable to nonqualified deferred compensation under Section 409A of the Code. The Option Agreement shall specify whether the Option is an Incentive Option or Nonqualified Option. To the extent that any portion of the Options granted under the Plan does not meet the requirements of Section 422 of the Code or the Option is not specified as an Incentive Option in the Option Agreement, such Options or portion thereof shall be deemed to be Nonqualified Options. Nothing in the Plan shall be deemed to prohibit the issuance of Nonqualified Options to Employees, Directors and Consultants under the Plan.

ARTICLE IX.
MISCELLANEOUS PROVISIONS

9.1 Restrictions Upon Grant of Awards. If the listing upon any stock exchange or the registration or qualification under any federal or state law of any shares of Common Stock to be issued pursuant to an Award granted under the Plan (whether to permit the grant of Awards, the issuance of shares of Common Stock to any Permitted Transferee or the resale or other disposition of any such shares of Common Stock by or on behalf of the Participants receiving such shares) should be or become required or desirable for the Company, the Board in its sole discretion may determine that delivery of the certificates for such shares of Common Stock shall not be made until such listing, registration or qualification shall have been completed. The Company agrees that it will use its reasonable efforts to effect any such listing, registration or qualification; provided, however, that the Company shall not be required to use its reasonable efforts to effect such registration under the Securities Act of 1933 other than on Form S-8 or such other forms as may be in effect from time to time calling for information comparable to that presently required to be furnished under Form S-8. The previous sentence does not grant a Participant registration rights with respect to Common Stock. In no event shall the Company be required to register shares of Common Stock for issuance to a Permitted Transferee and any requested exercise of Options by a Permitted Transferee shall be subject to any applicable prior registration of the shares of Common Stock issuable upon such exercise. Any Award granted to a Participant who is a resident of California shall comply with the additional requirements specified in Addendum A attached hereto and forming part of this Plan.

9.2 Restrictions Upon Resale of Unregistered Stock. Each Participant shall, if the Company deems it advisable, represent and agree in writing (i) that any shares of Common Stock acquired by such Participant pursuant to this Plan will not be sold except pursuant to an effective registration statement under the Securities Act of 1933 or pursuant to an exemption from registration under said Act, (ii) that such Participant is acquiring such shares of Common Stock for his or her own account and not with a view to the distribution thereof and (iii) to such other customary matters as the Company may request. In such case, no shares of Common Stock shall be issued to such Participant unless such Participant provides such representations and agreements and the Company is reasonably satisfied that such representations and agreements are correct.

9.3 Repurchase by the Company and/or its Designee; Restriction on Transfer; Right of First Refusal.

(a) At any time before the Common Stock becomes Publicly Traded, the Company and its Designee shall have the right (the "Repurchase Right"), to repurchase any shares of Common Stock that were acquired pursuant to the exercise of an Option under this Plan ("Option Shares") or any Restricted Shares (or securities into which such Option Shares or Restricted Shares have been converted) at the Repurchase Price (as hereinafter defined) upon termination of a Participant's Service with the Company or its Subsidiaries. To the extent that a Participant holds exercisable Options at the time of such termination of Service, the Company or its Designee, as applicable, may elect to purchase such exercisable Options in the same manner as the Option Shares at a price equal to the Repurchase Price less the Exercise Price of such exercisable Options. Notwithstanding the foregoing, the Company's and its Designee's right to repurchase shares of Option Shares and the vested portion of Restricted Shares under this Section 9.3 shall lapse in the event the Company's Common Stock becomes Publicly Traded.

(b) The Repurchase Price (A) to be paid by the Company or a Designee which is a Subsidiary shall be defined as (i) if the Participant's Service is terminated for Cause, the price paid by the Participant for the Option Shares or Restricted Shares, if any, or (ii) if the Participant's Service is terminated for any reason other than Cause, the Fair Market Value of the Common Stock underlying the Option Shares or (iii) if the Participant's Service is terminated for any reason other than Cause, the Fair Market Value of the portion of Restricted Shares for which the restrictions have lapsed at the time of exercise of the Repurchase Right and the price paid by the Participant for the portion of the Restricted Shares for which the restrictions have not lapsed at the time of the exercise of the Repurchase Right or (B) to be paid by a Designee which is not a

Subsidiary shall be defined as the Fair Market Value of the Common Stock underlying the Option Shares or the Restricted Stock as applicable if the Participants Service is terminated for any reason.

(c) To the extent that the Company or its Designee has the right to repurchase Option Shares or Restricted Shares, the Company or its Designee may exercise such right by delivery of written notice to the Participant (or such other holder of Option Shares or Restricted Shares) stating the full number of Option Shares or Restricted Shares that the Company or its Designee has elected to repurchase, the Repurchase Price per Option Share or Restricted Share, and the time of repurchase (which time shall not be earlier than 5 days from the date of notice). The Repurchase Right may be exercised until the later of (i) fifteen (15) days after the expiration of the Option, (ii) two hundred (200) days after (A) the latest purchase of Option Shares by the Participant or (B) the latest receipt by Participant of certificates representing Restricted Shares on which the restrictions have lapsed and for which certificates have not been delivered by the Company and (iii) sixty (60) days after the date of Participant's termination of Service to the Company or a Subsidiary. At the time of repurchase, the Participant shall deliver the certificate or certificates representing his Option Shares or Restricted Shares to the Company or its Designee, as applicable, at its offices and shall execute any stock powers or other instruments as may be necessary to transfer full ownership of the Option Shares or Restricted Shares to the Company or its Designee. At the time of repurchase, the Company or its Designee shall issue their own check within ten (10) days to the Participant in an amount equal to the aggregate Repurchase Price for the Option Shares or Restricted Shares for which the Company or its Designee has exercised its right to repurchase, less any amounts required to be withheld under applicable laws. In the event of Participant's death or Disability, the Company's or its Designee's right to purchase and the manner of purchase shall apply with regard to the Participant's estate, beneficiary, administrator or personal representative.

(d) If the Company's Common Stock is not Publicly Traded, then during the period a Participant is employed by the Company or a Subsidiary, and for six months after such Participant's Service to the Company or a Subsidiary is terminated, such Participant shall not, except as provided in this Plan with respect to a Sale of the Company or a Corporate Event, transfer, pledge, mortgage or otherwise encumber or make any disposition of Option Shares or Restricted Shares whatsoever, whether voluntary or involuntary without the Company's prior written consent (collectively, a "***Disposition***"), other than to the Company or a Designee. Any purported or attempted Disposition of shares of Common Stock made in violation of this Section 9.3(d) shall be void and of no force and effect.

(e) If (i) the Company or a Designee does not exercise its Repurchase Right as described in this Section 9.3, (ii) the Participant is not otherwise prohibited from making a Disposition of shares of Common Stock pursuant to this Plan and (iii) the Company's Common Stock is not publicly traded, then if a Participant receives a written offer from any bona fide third party purchaser(s) to acquire some or all of the Option Shares of the Participant, other than Option Shares subject to the Stockholders Agreement (the "***Offered Shares***"), and the Participant intends to accept such offer, the Participant shall first make an irrevocable offer (the "***Offer***") to sell the Offered Shares to the Company. The Offer shall be written and either actually delivered or sent by certified or registered mail, return receipt requested, to the Company and shall identify the Offered Shares, the name and address of the prospective purchaser and the terms of the Offer by said prospective purchaser to purchase the Offered Shares. The date of the Offer shall be the date on which a notice containing the Offer has been actually delivered or sent to the Company. The Company or a Designee shall have the irrevocable right and option (the “Right of First Refusal”), for 60 days following the date such notice has been actually delivered or sent, to purchase the Offered Shares at the price stipulated in the Offer and, in the sole discretion of the Company or the Designee, either for cash or on the same credit terms as those contained in the Offer. If the stated price set forth in the Offer includes any property other than cash, such stated price shall be deemed to be the amount of any cash included in the stated price plus the value, as determined by the Company, of such other property included in such price. The Company or the Designee shall exercise its Right of First Refusal to purchase the Offered Shares hereunder by actual delivery to the Participant of a written notice of intent to purchase such Offered Shares or by sending such notice by certified or registered mail, return receipt requested, properly stamped and addressed to the address of the Participant. The sale and purchase shall be closed at the offices of the Company or the Designee or its counsel on such date within 30 days thereafter as the Company or the Designee shall determine. Upon the exercise of the Right of First Refusal, the Company or the Designee shall be obligated at the closing to make payment as provided above and the Participant shall be obligated at the closing to duly endorse and deliver to the Company or the Designee the certificate(s) evidencing the Offered Shares. Certificates representing the Offered Shares purchased shall be delivered by the Participant at the closing against payment. Each such certificate shall be endorsed in blank or have attached a duly executed stock power, in each case in proper form for transfer. By delivering the certificates at the closing, the Participant shall be deemed to represent (and so shall certify if requested by the Company or the Designee) that the sale of the Common Stock has been duly authorized, the certificates evidencing the Common Stock have been duly and validly endorsed and delivered for transfer to the purchaser and that the Company will receive good title to such shares, free and clear of all liens, security interests, pledges, charges, encumbrances, stockholders’ agreements, voting trusts, and preemptive rights.

9.4 Adjustments. The number of shares of Common Stock authorized for issuance under the Plan, as well as the price to be paid and the number of shares issued upon exercise of outstanding Options, shall be adjusted by the Company to reflect any stock split, reverse stock split, stock dividend, recapitalization, combination, reclassification, dissolution or liquidation of the Company, any corporate separation or division (including, but not limited to, a split-up, a split-off or a spin-off), a merger, consolidation or exchange, a reverse merger or similar transaction which does not constitute a Sale of the Company. All adjustments permitted by this Plan shall be made by the Administrator in a manner that is intended to provide an appropriate adjustment that neither increases or decreases the value of such Award as in effect immediately prior to such corporate change, and the Administrator’s determination as to what adjustments shall be made and the extent thereof shall be final, binding and conclusive for all purposes of the Plan and of each Option Agreement or other Award Agreement; provided, however, that each Incentive Option granted pursuant to the Plan shall not be adjusted in a manner that causes such Incentive Option to fail to continue to qualify as an Incentive Option without the prior consent of the Optionholder thereof.

9.5 Use of Proceeds. The proceeds from the sale of Common Stock pursuant to Options and Restricted Shares granted under the Plan shall constitute general funds of the Company and may be used for such corporate purposes as the Company may determine.

9.6 Substitution of Options.

(a) The Administrator may, without the consent of the holder of any Option granted under the Plan, cancel such Option and grant a new Option in substitution therefor, provided that the new Option as so substituted shall satisfy all of the requirements of the Plan as of the date such new Option is granted.

(b) Options may be granted under the Plan in substitution for options held by individuals who are employees, directors or consultants of another corporation and who become Employees, Directors or Consultants of the Company or any Subsidiary of the Company eligible to receive Options pursuant to the Plan as a result of a merger, consolidation, exchange, reorganization or similar event described in ARTICLE VI. The terms and conditions of any Options so granted may vary from those set forth in the Plan to the extent deemed appropriate by the Administrator in order to conform the provisions of Options granted pursuant to the Plan to the provisions of the options in substitution for which they are granted.

9.7 Restrictive Legends.

(a) Certificates representing shares of Common Stock delivered pursuant to the exercise of Options and certificates representing Restricted Shares shall bear an appropriate legend referring to the terms, conditions and restrictions described in this Plan. Any attempt to dispose of any such shares of Common Stock or Restricted Shares in contravention of the terms, conditions and restrictions described in the Plan shall be ineffective, null and void, and the Company shall not effect any such transfer on its books.

(b) Any shares of Common Stock of the Company received by an Optionholder (or his or her heirs, legatees, distributees or legal representative) or any Restricted Shares received as a stock dividend on, or as a result of a stock split, combination, exchange of shares, reorganization, merger, consolidation or otherwise with respect to, shares of Common Stock received pursuant to the exercise of Options or the grant of Restricted Shares, shall be subject to the terms and conditions of the Plan and bear the same legend as the shares received pursuant to the exercise of Options or the grant of Restricted Shares.

9.8 Market Stand-Off. Each Option Agreement and Restricted Stock Award shall provide that in connection with any underwritten public offering by the Company of its equity securities pursuant to an effective registration statement filed under the Securities Act of 1933, as amended, including the Company's initial public offering, the Participant shall agree not to sell, make any short sale of, loan, hypothecate, pledge, grant any option for the repurchase of, transfer the economic consequences of ownership or otherwise dispose or transfer for value or otherwise agree to engage in any of the foregoing transactions with respect to any Common Stock acquired pursuant to this Plan without the prior written consent of the Company or its underwriters, for such period of time from and after the effective date of such registration statement as may be requested by the Company or such underwriters (the "***Market Stand-Off***"). In order to enforce the Market Stand-Off, the Company may impose stop-transfer instructions with respect to the Common Stock acquired under this Plan until the end of the applicable stand-off period. If there is any change in the number of outstanding shares of Common Stock by reason of a stock split, reverse stock split, stock dividend, recapitalization, combination, reclassification, dissolution or liquidation of the Company, any corporate separation or division (including, but not limited to, a split-up, a split-off or a spin-off), a merger or consolidation; a reverse merger or similar transaction, then any new, substituted or additional securities which are by reason of such transaction distributed with respect to any Common Stock subject to the Market Stand-Off, or into which such Common Stock thereby become convertible, shall immediately be subject to the Market Stand-Off.

9.9 Notices. Any notice required or permitted hereunder shall be sufficiently given only if delivered personally, sent by registered or certified mail, return receipt requested, postage prepaid, addressed to the Company at its principal place of business or sent by a nationally recognized overnight delivery service, and to the Participant at the address on file with the Company at the time of grant hereunder, or to such other address as either party may hereafter designate in writing by notice similarly given by one party to the other.

IN WITNESS WHEREOF, upon authorization of the Board of Directors and the stockholders of the Company entitled to vote, the undersigned has caused this Cinemark Holdings, Inc. 2006 Long Term Incentive Plan, to be executed effective on the 22nd day of December, 2006.

CINEMARK HOLDINGS, INC.

By: /s/ Alan Stock
Alan W. Stock
Its Chief Executive Officer

Signature Page to Cinemark Holdings, Inc. 2006 LTIP

ADDENDUM A TO CINEMARK HOLDINGS, INC. 2006 LONG TERM INCENTIVE PLAN FOR GRANTS MADE TO CALIFORNIA RESIDENTS

Securities sold and options granted in California to employees, directors, managers or consultants of Cinemark Holdings, Inc. or any of its Affiliates shall be subject to the following additional provisions, which shall be part of the Cinemark Holdings, Inc. 2006 Long Term Incentive Plan.

ARTICLE I.
EXERCISE AND PURCHASE PRICE

1.1 Exercise Price Restrictions Applicable to Non-Qualified Stock Options.

(a) In the case of Non-Qualified Stock Options, the Exercise Price shall be determined in the sole discretion of the Administrator; provided, however, that the Exercise Price shall be no less than 100% of the Fair Market Value of the shares of Stock on the Date of Grant of the Non-Qualified Stock Option.

(b) A Ten Percent Shareholder shall not be eligible for designation as an Optionholder, unless (i) the Exercise Price of a Non-Qualified Stock Option is at least 110% of the Fair Market Value of a Share on the Date of Grant.

1.2 Purchase Price Restrictions Applicable to Restricted Shares.

(a) Each Award Agreement for Restricted Shares shall state the price at which the Stock subject to such Restricted Share Agreement may be purchased (the "Purchase Price"), which, with respect to Restricted Shares, shall be determined in the sole discretion of the Administrator; provided, however, that the Purchase Price shall be no less than 85% of the Fair Market Value of the shares of Common Stock on the Award date of the Restricted Stock subject to the Award Agreement.

(b) A Ten Percent Shareholder shall not be eligible for An Award Agreement for Restricted Shares unless the Purchase Price (if any) is at least 100% of the Fair Market Value of a share of Common Stock.

(c) At the discretion of the Administrator, Restricted Shares may be awarded under the Plan in consideration of services rendered to the Company, a parent or a Subsidiary prior to the Award.

1.3 Non-Applicability. The Exercise Price restrictions applicable to Non-Qualified Stock Options required by Section 1.1 hereof and the Purchase Price restrictions applicable to Restricted Shares required by Section 1.2 hereof shall be inoperative if (a) the shares of Stock to be issued upon payment of the Purchase Price have been registered under a then currently effective registration statement under applicable federal securities laws and the Company (i) is subject to the reporting requirements of Section 13 or 15(d) of the Exchange Act or becomes an investment company registered or required to be registered under the Investment Company Act of 1940, and (ii) the Company's Stock is listed or approved for listing upon notice of issuance on a national securities exchange or on the National Market System of the Nasdaq Stock Market (or any successor to that entity), if the exchange or Nasdaq Stock Market (or its successor) has been certified by rule or order of the California Commissioner of Corporations; or (b) a determination is made by counsel for the Company that such Exercise Price restrictions are not required in the circumstances under applicable federal or state securities laws.

ARTICLE II.
EXERCISABILITY AND VESTING

2.1 Options. Each Stock Option Agreement shall specify the date when all or any installment of the Option becomes exercisable. Unless a determination is made by counsel for the Company that Section 25102(o) of the California Corporations Code no longer requires and another exemption from qualification under the California Corporations Code applies which does not require, an Option granted to an Optionholder who is not an officer of the Company, a Director or a Consultant shall become exercisable at least as rapidly as 20% per year over the five-year period commencing on the Date of Grant. Subject to the preceding sentence, the exercise provisions of any Stock Option Agreement shall be determined by the Administrator, in its sole discretion.

2.2 Restricted Shares. The Restricted Shares will be forfeited immediately upon termination of Participant’s employment with the Company or one of its Subsidiaries, unless otherwise expressly provided herein or in the Award Agreement pursuant to such Restricted Shares were granted. Unless a determination is made by counsel for the Company that Section 25102(o) of the California Corporations Code no longer requires and another exemption from qualification under the California Corporations Code applies which does not require, an Award of Restricted Shares granted to an employee who is not an officer of the Company, a Director, a manager or a Consultant shall provide that the risk of forfeiture and any right to repurchase unvested stock at less than Fair Market Value shall lapse at a rate of at least 20% per year over five years from the date the Award Agreement for Restricted Shares is granted. Subject to the preceding sentence, the vesting and forfeiture provisions of any Restricted Share Award Agreement shall be determined by the Administrator, in its sole discretion.

ARTICLE III.
TERM

3.1 Term of Option. Unless Optionholder’s Service with the Company, a parent, or Subsidiaries is terminated for Cause, in no event may the right to exercise any Option in the event of termination of Service (to the extent that the Optionholder is entitled to exercise on the date of termination of Service) be (i) less than six months from the date of termination if termination was caused by death or Disability and (ii) less than 30 days from the date of termination if termination was caused by other than death, Disability or Cause.

3.2 Limits on Post Termination Exercise. The provisions of Section 3.1 may not (i) allow any Option to be exercised after the expiration of ten years after the date the Option is granted or (ii) preclude a Ten Percent Shareholder from receiving an ISO satisfying the requirements of Section 422(c)(5) of the Code, including without limitation, that such ISO by its terms not be exercisable after the expiration of five years from the Date of Grant.

ARTICLE IV.
REPURCHASE RIGHTS

4.1 Lapse of Repurchase Rights. For purposes of the Repurchase Right under Section 9.3 of the Plan upon termination of Service, the Repurchase Price shall be presumptively reasonable if:

(a) In the case of vested Common Stock, it is not less than the Fair Market Value of the Common Stock to be repurchased on the date of termination of Service, and the Repurchase Right must be exercised for cash or cancellation of purchase money indebtedness for the Common Stock within 90 days of termination of Service (or in the case of Common Stock issued upon exercise of Options after the date of termination, within 90 days after the date of exercise), and the Repurchase Right terminates when the Company's securities become publicly traded.

(b) In the case of unvested Common Stock, it is at the lesser of the original purchase price or Fair Market Value, provided the Repurchase Right at the original purchase price lapses at the rate of at least 20% per year over five years from the date the Option Agreement or Award Agreement for Restricted Shares is granted (without respect to the date the Option or Award Agreement was exercised or became exercisable) and the Repurchase Right must be exercised for cash or cancellation of purchase money indebtedness for the Common Stock within 90 days of termination of Service (or in the case of Common Stock issued upon exercise of Options after the date of termination, within 90 days after the date of exercise).

4.2 Additional Restrictions Permitted. In addition to the restrictions set forth in clauses (a) and (b) of Section 4.1, the Common Stock held by an officer, a Director, a manager or a Consultant of the Company or an Affiliate may be subject to additional or greater restrictions.

ARTICLE V.
ADDITIONAL COMPLIANCE PROVISIONS

5.1 Voting Rights. Notwithstanding anything to the contrary in the Plan, Common Stock issued pursuant to the Plan shall carry equal voting rights on all matters where such vote is required by applicable law.

5.2 Financial Information. To the extent necessary to comply with California law, the Company each year shall furnish to Participants its balance sheet and income statement, unless such Participants are limited to key Employees whose duties with the Company assure them access to equivalent information.

CINEMARK HOLDINGS, INC.
STOCK OPTION AGREEMENT

Cinemark Holdings, Inc. (the "Company"), desiring to afford an opportunity to the undersigned optionee (the "Optionee") to purchase certain shares of the Company's Class A Common Stock, par value $.001 per share (the "Common Stock"), to provide the Optionee with an added incentive as an employee of the Company or one or more of its Subsidiaries, hereby grants to the Optionee, and the Optionee hereby accepts, an option to purchase the number of such shares specified below, during a term ending at the close of business (prevailing local time at the Company's principal offices) on the expiration date of this Option specified below, at the Option exercise price specified below, subject to and upon the following terms and conditions:

1. Grant of Option. The Company hereby grants to the Optionee effective as of the date set forth in Section 18 hereof (the "Date of Grant"), the right and option (the "Option") to purchase up to the aggregate number of shares the Common Stock set forth in Section 18 hereof, subject to adjustment pursuant to Section 3 hereof and subject to the Optionee's acceptance and agreement to all of the terms and conditions and restrictions described in the Cinemark Holdings, Inc. 2006 Long Term Incentive Plan (the "Plan"), a copy of which has been made available to the Optionee, and to the further terms, conditions and restrictions set forth below.

2. Exercise Price. Subject to adjustment pursuant to Section 3, the exercise price payable by the Optionee upon exercise of this Option is set forth in Section 18 hereof.

3. Adjustments to Number of Shares and Option Price. The number of shares of Common Stock issuable under the Option and exercise price for such shares shall be subject to adjustments as provided in Section 9.4 of the Plan.

4. Tax Status. This Option will be treated as a non-qualified stock option which is not intended to be an incentive stock option within the meaning of Section 422 of the Internal Revenue Code of 1986, as amended (the "Code"). There is no tax consequence to the Optionee at the time the option is granted. Under the Code, the Optionee will realize ordinary income upon exercise of the Options to the extent that the Fair Market Value of the Common Stock at the time of exercise exceeds the exercise price, multiplied by the number of shares covered by the Option or portion thereof being exercised, and such exercise by the Optionee will be subject to applicable withholding rules.

5. Exercise of Option. Subject to the terms of the Plan and this Option Agreement, the Options will vest ratably on a daily basis over a period of five years only so long as the Optionee is employed by the Company or any Subsidiary, and the vested portion may be exercised, in whole or in part, by written notice to the Company at any time and from time to time after the date of grant. An Option may not be exercised for a fraction of a share of Common Stock.

6. Expiration of Option. This Option shall expire and cease to be exercisable on the tenth anniversary of the Date of Grant or such earlier date as may be specified in the Plan or in Section 18 of this Option.

7. Termination of Affiliation.

(a) Subject to the following provisions of this Section 7 and Article VI of the Plan, this Option may not be exercised unless at the time of exercise the Optionee is an Employee of the Company or a Subsidiary.

(b) Termination for Cause. In the event that Optionee is an Employee and the Optionee's employment by the Company or a Subsidiary shall terminate for Cause (as defined in the Plan), this Option shall terminate immediately and shall be of no further force or effect.

(c) Death or Disability.

(i) In the event that an Optionee's Service to the Company or a Subsidiary is terminated because of Optionee's death or Disability, the Optionee or his estate or legal representative, as applicable, shall have the right to exercise the Option at any time within one year of termination of the Optionee's employment by the Company or a Subsidiary due to death or six months after the date of termination of Service due to Disability unless a longer period is otherwise required by the Code (but in no event later than the date on which the Option otherwise would have expired by its terms) only to the extent the Optionee was entitled to exercise his or her Option immediately prior to the date of death or such Disability, as applicable; provided that, in addition to the Options held by such Optionee that have already vested, the lesser of (i) an additional twenty percent (20%) of the number of shares covered by the Option and (ii) the remaining amount of unvested shares covered by the Option shall become vested and exercisable on the date of termination due to death or Disability. To the extent that this Option is not so exercised as specified above, it shall expire at the end of the applicable period. For purposes of this Option Agreement, Disability shall be as defined in the Plan.

(ii) If the Optionee dies during the three-month period after the termination of his or her Service to the Company or a Subsidiary and at the time of his or her death the Optionee was entitled to exercise this Option, this Option shall expire one year after the date on which his Service to the Company or a Subsidiary terminated, but in no event, later than the date on which this Option would have expired if the Optionee had lived. Until the expiration of such period, this Option may be exercised by the Optionee's executor or administrator or by any person or persons who shall have acquired the Option directly from the Optionee by will or in accordance with the laws of descent and distribution, upon delivery of written notice thereof, a copy of the will, or such other evidence as the Administrator may determine necessary to establish the validity of the transfer, but only to the extent that the Optionee was entitled to exercise the Option at the date of his or her death and, to the extent the Option is not so exercised, it shall expire at the end of such period.

(d) Other Termination. In the event that termination of Service to the Company or a Subsidiary terminates for reasons other than for Cause, or death or Disability pursuant to Sections 7(b) or 7(c) above, as applicable, the Optionee shall have the right to exercise this Option at any time within three months after such termination to the extent the Optionee was entitled to exercise the same immediately prior to such termination. To the extent that this Option is not so exercised, it shall expire at the end of such three-month period beginning on the termination date.

8. Procedure to Exercise. The Optionee (or other person entitled to exercise this Option) may purchase shares of Common Stock of the Company subject hereto by the payment to the Company of the Exercise Price in full. To the extent that the right to purchase shares has become exercisable in accordance with the terms of the Plan and this Option Agreement, Options may be exercised from time to time by written notice to the Administrator, stating the full number of shares with respect to which the Option is being exercised and the proposed time of delivery thereof (which shall be at least five (5) days after the giving of such notice, unless an earlier date shall have been mutually agreed upon by the Optionee (or other person entitled to exercise the Option) and the Administrator), accompanied by payment to the Company of the Exercise Price in full. Such payment shall be effected (i) by certified or official bank check, (ii) if so permitted by the Administrator, by the delivery of a number of shares of Common Stock owned by the Participant for at least six months (or such other period as may be established from time to time by the Administrator or required by generally accepted accounting principles) (the "Requisite Holding Period") duly endorsed for transfer to the Company (plus cash if necessary) having a Fair Market Value equal to the amount of such Exercise Price (iii) if so permitted by the Administrator, by payment with financial assistance from the Company in accordance with the provisions of Section 7.4 of the Plan or (iv) in the case of an Option, during any period for which the Common Stock is publicly traded (i.e., the Common Stock is listed on any established stock exchange or readily tradable on a recognized securities market or any similar system whereby the stock is regularly quoted by a recognized securities dealer), by a copy of instructions to a broker directing such broker to sell the Common Stock for which such Option is exercised, and to remit to the Company the aggregate Exercise Price of such Options (a "Cashless Exercise") ; provided, however, a Cashless Exercise by a Director or executive officer that involves or may involve a direct or indirect extension of credit or arrangement of an extension of credit by the Company or a Subsidiary in violation of Section 402(a) of the Sarbanes-Oxley Act (codified as Section 13(k) of the Securities Exchange Act of 1934, 15 U.S.C. § 78m(k)) shall be prohibited**.** In addition to payment of the Exercise Price, the Optionee shall be required to include payment of the amount of all federal, state, local or other income, excise or employment taxes subject to withholding (if any) by the Company or a Subsidiary as a result of the exercise of an Option. The Optionee may pay all or a portion of the tax withholding by cash or check payable to the Company, or, at the discretion of the Administrator, upon such terms as the Administrator shall approve, by (i) certified or official bank check (ii) Cashless Exercise, if the Stock is publicly traded and the cashless exercise does not violate Section 402(a) of the Sarbanes-Oxley Act; (iii) tendering Common Stock owned by the Optionee meeting the Requisite Holding Period, duly endorsed for transfer to the Company, with a Fair Market Value on the date of delivery equal to the withholding due for the number of shares being exercised or

purchased; (iv) in the case of an Option, by paying all or a portion of the tax withholding for the number of shares being purchased by withholding shares from any transfer or payment to the Optionee ("Stock Withholding"); or (v) a combination of one or more of the foregoing payment methods. The Administrator will, as soon as reasonably possible, notify the Optionee (or such Optionee's representative) of the amount of employment tax and other withholding tax that must be paid under federal, state and local law due to the exercise of the Option. At the time of delivery, the Company shall, without transfer or issue tax to the Optionee (or other person entitled to exercise the Option), deliver to the Optionee (or to such other person) at the principal office of the Company, or such other place as shall be mutually agreed upon, a certificate or certificates for the Option Shares after the Exercise Price and all federal, state, local or other income, excise or employment taxes subject to withholding have been paid; provided, however, that the time of delivery may be postponed by the Administrator for such period as may be required for it with reasonable diligence to comply with any requirements of law.

9. Nontransferability of Option. This Option shall be exercisable during the Optionee's lifetime only by the Optionee. Notwithstanding the foregoing, this Option may be assignable or transferable by the Optionee pursuant to the laws of descent and distribution provided that the Company shall have been furnished with written notice thereof and a copy of the will and/or such other evidence as the Administrator may determine necessary to establish the validity of the Transfer. Such assignee or transferee shall be subject to the same requirements, obligations and restrictions as applied to the Optionee under this Agreement, the Plan or any other undertaking of Optionee either as an Optionee or as a Shareholder. All transfers of an Option must comply with the provisions of Section 5.4(c) of the Plan.

10. Continued Employment or Retention. Subject to the terms of any Service Agreement between the Company or any Subsidiary and the Optionee, nothing in this Option Agreement shall in any manner be construed to limit in any way the right of the Company or any Subsidiary to terminate an Optionee's Service at any time, without regard to the effect of such termination on any rights such Optionee would otherwise have under the Plan or this Option Agreement, or to give any right to the Optionee to remain employed or retained by the Company or a Subsidiary in any particular position or at any particular rate of compensation.

11. Rights as Stockholder. Neither any Optionee nor the legal representatives, heirs, legatees, distributees or Permitted Transferees of any Optionee shall be deemed to be the holder of, or to have any of the rights of a holder with respect to, any Option Shares unless and until such shares of Common Stock are issued to such Person and such Person has received a certificate or certificates therefor. Upon the issuance and receipt of such certificate or certificates, such Option holder shall have absolute ownership of the shares of Common Stock evidenced thereby, including the right to vote such shares, to the same extent as any other owner of shares of Common Stock, and to receive dividends thereon, subject, however, to the terms, conditions and restrictions of the Plan, the Stockholders Agreement if the Optionee becomes a party thereto, and any other undertakings of such holder of Common Stock.

12. Interpretation. If and when questions arise from time to time as to the intent, meaning or application of the provisions hereof or of the Plan, such questions shall be decided by the Administrator in its sole discretion, as applicable, and any such decision shall be conclusive and binding on the Optionee. The Optionee hereby agrees that this Option is granted and

accepted subject to such condition and understanding. This Option is subject to, and the Company and the Optionee agree to be bound by, all of the terms and conditions of the Plan under which this Option was granted, as the same may have been amended from time to time in accordance with Section 8.1 of the Plan. A copy of the Plan in its present form is available for inspection during business hours by the Optionee or other persons entitled to exercise this Option at the Company's principal office.

13. Investment Representation. At such time or times as the Optionee may exercise this Option, the Optionee shall, upon the request of the Company, represent in writing (i) that the shares being acquired by the Optionee under this Option will not be sold except pursuant to an effective registration statement, or applicable exemption from registration, under the Securities Act of 1933, as amended, (ii) that it is the Optionee's intention to acquire the shares being acquired for investment only and not with a view to distribution thereof, and (iii) other customary representations as the Company deems necessary or advisable. No shares will be issued to the Optionee unless the Optionee provides such representations and agreements and the Company is satisfied as to the accuracy of such representations and agreements. If so requested by the Company, Optionee hereby agrees to provide a lock-up agreement in accordance with Section 9.8 of the Plan.

14. Repurchase; Restriction on Transfer; Right of First Refusal. All shares of Common Stock purchased by the Optionee or his or her Permitted Transferee and exercisable Options held by the Optionee at the time of termination of Service to the Company or any Subsidiary shall be subject to right of repurchase, transfer restrictions and rights of first refusal as set forth in Section 9.3 of the Plan.

15. Notices. All notices and other communications hereunder shall be in writing and shall be deemed to have been duly given if delivered personally, mailed certified or registered mail (return receipt requested, postage prepaid) or sent by a nationally recognized overnight delivery service, to the Optionee at the address on the signature page hereof and to the Company at the address set forth below or at such other addresses as shall be specified in writing by the parties by like notice:

Cinemark Holdings, Inc.
3900 Dallas Parkway
Plano, Texas 75093
Attention: General Counsel

16. Defined Terms. All capitalized terms used herein and not otherwise defined shall have the meanings given them in the Plan.

17. Confidentiality. Unless otherwise permitted by the Chairman of the Board or the President of the Company, the Optionee agrees to keep confidential the terms of this Option Agreement (and the terms of any other Option Agreement with any other Employee or Director of the Company known to Optionee) and shall not disclose such terms to any other Employee or otherwise.

18. Specified Information. This Option Agreement shall apply with respect to the following specific information:

(a) Date of Grant: [__________]

(b) Name of Optionee:

(c) Number of Shares Covered by Option:

(d) Option Exercise Price Per Share:

(e) Expiration Date: [__________]

19. Rules of Construction. This Option Agreement shall be construed and enforced in accordance with the laws of the State of Delaware, other than any choice of law rules calling for the application of laws of another jurisdiction. Should there be any inconsistency or discrepancy between the provisions of this Option and the terms and conditions of the Plan under which this Option is granted, the provisions in the Plan shall govern and prevail.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the undersigned have executed this Option Agreement to be effective as of the Date of Grant set forth above.

CINEMARK HOLDINGS, INC.

By: ______________________________

Name: ______________________________

Title: ______________________________

OPTIONEE

____

Name: ______________________________

Optionee's Address: ______________________________

Signature Page to Cinemark, Inc. Stock
Option Agreement

EXHIBIT 21

SUBSIDIARIES OF CINEMARK HOLDINGS, INC.

USA

Cinemark, Inc., a Delaware corporation
CNMK Holding, Inc., a Delaware corporation
Cinemark USA, Inc., a Texas corporation
Cinemark, L.L.C., a Texas limited liability company
Sunnymead Cinema Corp., a California corporation
Trans Texas Cinema, Inc., a Texas corporation
Cinemark Properties, Inc., a Texas corporation
Greeley Holdings, Inc., a Texas corporation
Greeley, Ltd., a Texas limited partnership
Cinemark International, L.L.C., a Texas limited liability company
Cinemark Mexico (USA), Inc., a Delaware corporation
Cinemark Leasing Company, a Texas corporation
Cinemark Partners I, Inc., a Texas corporation
Cinemark Partners II, Ltd., a Texas limited partnership
Cinemark Investments Corporation, a Delaware corporation
Multiplex Properties, Inc., a Delaware corporation
Multiplex Services, Inc., a Texas corporation
Canada Theatre Holdings, Inc., a Delaware corporation
CNMK Brazil Investments, Inc., a Delaware corporation
CNMK Investments, Inc., a Delaware corporation
CNMK Delaware Investments I, L.L.C., a Delaware limited liability company
CNMK Delaware Investments II, L.L.C., a Delaware limited liability company
CNMK Delaware Investment Properties, L.P., a Delaware limited partnership
CNMK Texas Properties, Ltd., a Texas limited partnership
Brainerd Cinema, Ltd., a Texas limited partnership
Laredo Theatre, Ltd., a Texas limited partnership
Brasil Holdings, L.L.C., a Delaware limited liability company
Cinemark Media, Inc., a Delaware corporation
Century Theatres, Inc., a California corporation
NBE, Inc., a California corporation
Marin Theatre Management, LLC, a California limited liability company
Century Theatres NG, L.L.C., a California limited liability company
CineArts, L.L.C., a California limited liability company
CineArts of Sacramento, L.L.C., a California limited liability company
Corte Madera Theatres, L.L.C., a California limited liability company
Novato Theatres, L.L.C., a California limited liability company
San Rafael Theatres, L.L.C., a California limited liability company
Northbay Theatres, L.L.C., a California limited liability company
Century Theatres Summit Sierra, L.L.C., a California limited liability company
Century Theatres Seattle, L.L.C., a California limited liability company

ARGENTINA

Cinemark Argentina, S.R.L., an Argentine corporation
Prodecine S.R.L., an Argentine corporation
Bulnes 2215, S.R.L., an Argentine corporation

BRAZIL

Cinemark Brasil S.A., a Brazilian corporation

CANADA

Cinemark Theatres Canada, Inc., a New Brunswick corporation
Cinemark Holdings Canada, Inc., an Ontario corporation
Century Theatres of Canada, ULC, a Canadian corporation

CENTRAL AMERICA

Cinemark Panama, S.A., a Panamanian joint stock company
Cinemark Equity Holdings Corporation, a British Virgin Islands corporation
Cinemark Costa Rica, S.R.L., a Costa Rican limited liability company
Cinemark El Salvador, Ltda de C.V., an El Salvadorian limited liability company
Cinemark Nicaragua y Cia, Ltda., a Nicaraguan limited liability company
Cinemark Honduras S. de R.L., a Honduran limited liability company

CHILE

Cinemark Chile S.A., a Chilean corporation
Inversiones Cinemark, S.A., a Chilean corporation
Worldwide Invest, Inc., a British Virgin Islands corporation

COLOMBIA

Cinemark Colombia S.A., a Colombian corporation

ECUADOR

Cinemark del Ecuador S.A., an Ecuadorian corporation

GERMANY

Cinemark Germany GmbH, a German corporation

MEXICO

Cinemark Holdings Mexico S. de R.L. de C.V., a Mexican limited liability company
Cinemark de Mexico, S.A. de C.V., a Mexican corporation
Servicios Cinemark, S.A. de C.V., a Mexican corporation
Cinemark del Norte, S.A. de C.V., a Mexican corporation

PERU

Cinemark del Peru S.R.L., a Peruvian limited liability company

SPAIN

Cinemark Holdings Spain, S.L., a Spanish limited liability company

Exhibit 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the use in this Registration Statement on Form S-1 of our report dated January 31, 2007 relating to the consolidated financial statements of Cinemark Holdings, Inc. and Subsidiaries, appearing in the prospectus, which is part of this Registration Statement.

We also consent to the reference to us under the heading "Experts" appearing in such prospectus.

/s/ Deloitte & Touche LLP
Dallas, Texas
January 31, 2007

Exhibit 23.2

Consent of Independent Registered Public Accounting Firm

We have issued our report dated December 1, 2006 (except for Note 13, as to which the date is January 29, 2007), accompanying the consolidated financial statements of Century Theatres, Inc. and Subsidiaries contained in the Registration Statement on Form S-1 and Prospectus of Cinemark Holdings, Inc.. We consent to the use of the aforementioned report in the Registration Statement and Prospectus of Cinemark Holdings Inc., and to the use of our name as it appears under the caption “Experts.”

/s/ GRANT THORNTON LLP
San Francisco, California
January 29, 2007