As filed with the Securities and Exchange Commission on March 16, 2007

Registration No. 333-140390

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

Amendment No. 1
to
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.	**D. Rhett Brandon, Esq.**
Akin Gump Strauss Hauer & Feld LLP	**Simpson Thacher & Bartlett LLP**
1700 Pacific Avenue, Suite 4100	**425 Lexington Avenue**
Dallas, Texas 75201	**New York, New York 10017**
Telephone: (214) 969-2800	**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. ☐ ____________

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.

Subject to Completion, dated March 16, 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

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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, BIA Financial Network, Inc., or BIA*fn,* and Veronis Suhler Stevenson), industry analysts and our knowledge of our business and markets.

About Us

Financial Presentation

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 with and 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.

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.

As of December 31, 2006, MDP owned approximately 66% of our capital stock, Lee Roy Mitchell and the Mitchell Special Trust collectively owned approximately 14%, Syufy Enterprises, LP owned approximately 11%, outside investors owned approximately 8%, and certain members of management owned the remaining 1%.

For purposes of the financial presentation in this prospectus, the historical financial information 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 reflected in the historical financial information of Cinemark Holdings, Inc. from October 5, 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 the year ended December 31, 2006.

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 we use these financial measures to monitor compliance with financial covenants in the indenture governing our 9 3/4% senior discount notes and 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 (loss) 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 396 theatres and 4,488 screens in the U.S. and Latin America. Our circuit is the third largest in the U.S. with 281 theatres and 3,523 screens in 37 states. We are the most geographically diverse circuit in Latin America with 115 theatres and 965 screens in 12 countries. During the year ended December 31, 2006, over 215 million patrons attended our theatres, when giving effect to the Century acquisition as of the beginning of the year. Our modern theatre circuit features stadium seating for approximately 73% of our screens.

We selectively build or acquire new theatres in markets where we can establish and maintain a strong market position. We believe our portfolio of modern theatres provides a preferred destination for moviegoers and contributes to our significant cash flows from operating activities. 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 is attributable in large part to our senior executives, who average approximately 32 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 three fiscal years among the three largest motion picture exhibitors in the U.S. Revenues, operating income, net income and Adjusted EBITDA for the year ended December 31, 2006 were $1,220.6 million, $127.4 million, $0.8 million, and $271.6 million, respectively, with operating income and Adjusted EBITDA margins of 10.4% and 22.3%, respectively. On a pro forma basis for the Century acquisition, revenues, operating income, net loss and Adjusted EBITDA for the year ended December 31, 2006 were $1,612.1 million, $175.6 million, $(3.5) million and $360.4 million, respectively, with pro forma operating income and Adjusted EBITDA margins of 10.9% and 22.4%, respectively. At December 31, 2006, we had cash and cash equivalents of $147.1 million and long-term debt, excluding capital leases, of $1,911.7 million. Approximately $1,126.7 million, or 59%, of our total long-term debt accrues interest at variable rates.

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. based on 77% of their screens featuring stadium seating. Prior to the Century acquisition, Century achieved strong performance with revenues of $516.0 million, operating income of $59.9 million, net income of $18.1 million and 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 year ended December 31, 2006, on a pro forma basis, we ranked either first or second by box office revenues in 28 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

In March 2005, Regal Entertainment, Inc., or Regal, and AMC Entertainment, Inc., or AMC, formed National CineMedia, LLC, or NCM, and on July 15, 2005, we joined NCM, as one of the founding members. NCM operates the largest in-theatre network in the U.S. which delivers digital advertising content and digital non-film event content to the screens and lobbies of the three largest motion picture companies in the country. The digital projectors currently used to display advertising will not be used to exhibit digital film content or digital cinema. NCM's primary activities that impact us include 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 non-film 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.

On February 13, 2007, we received $389.0 million in connection with National CineMedia, Inc.'s, or NCM, Inc.'s, initial public offering and related transactions, or the NCM transactions. As a result of these transactions, we will no longer receive a percentage of NCM's revenue but rather a monthly theatre access fee which we expect will reduce the contractual amounts required to be paid to us by NCM. In addition, we expect to receive mandatory quarterly distributions of excess cash from NCM. Prior to the initial public offering of NCM, Inc. common stock, our ownership interest in NCM was approximately 25% and subsequent to the completion of the offering we owned a 14% interest in NCM.

Competitive Strengths

We believe the following strengths allow us to compete effectively.

Strong Operating Performance and Discipline. We generated operating income, net income and Adjusted EBITDA margin of $127.4 million, $0.8 million and 22.3%, respectively, for the year ended December 31, 2006. Our strong operating performance is a result of our financial discipline, such as negotiating favorable theatre level economics and controlling theatre operating costs. We believe the Century acquisition will result in 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 year ended December 31, 2006, on a pro forma basis we ranked either first or second based on box office revenues in 28 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 61% faster than the average growth rate of the U.S. population over the next five years, as reported by BIA*fn* and U.S. census data.

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 115 theatres and 965 screens in 12 countries, generating revenues of $285.9 million for the year ended December 31, 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 79% of our first run auditoriums, the highest percentage among the three largest U.S. exhibitors, and 81% 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 382 additional screens over the next four years.

Strong Balance Sheet with Significant Cash Flow from Operating Activities. We generate significant cash flow from operating activities 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 45 properties with an aggregate value in excess of $350 million. For the year ended December 31, 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 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 32 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 strategic 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 three fiscal years among the three largest motion picture exhibitors in the U.S.

Our Strategy

We believe our operating philosophy and management team will enable us to continue to enhance our leading position in the motion picture exhibition industry. 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.

Continue to Focus on Operational Excellence. We will continue to focus on achieving operational excellence by controlling theatre operating costs. Our margins reflect our track record of operating efficiency.

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 track record of long-term growth, with box office revenues growing at a CAGR of 5.7% over the last 35 years. Against this background of steady long-term growth, the exhibition industry has experienced periodic short-term increases and decreases in attendance, and consequently box office revenues. In 2006 the motion picture exhibition industry experienced a marked improvement over 2005, with box office revenue increasing 5.5%, after a decrease of 5.7% in 2005 over the prior year. Strong revenue and attendance growth has been driven by a steadily growing number of movie releases, which, according to MPAA, reached an all-time high of 607 in 2006, up 11%. We believe this trend will continue into 2007 with a strong slate of franchise films, such as *Spider-Man 3*, *Shrek the Third*, *Pirates of the Caribbean: At World's End* and *Harry Potter and the Order of the Phoenix*.

International growth has also been strong. According to MPAA, global box office revenues grew steadily at a CAGR of 8.2% from 2003 to 2006 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. According to PwC, Latin America's estimated box office revenue CAGR was 8.4% over the same period.

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" markets, 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 $16 billion, or 63% of 2006 total worldwide box office revenues according to MPAA, with many international blockbusters such as *Pirates of the Caribbean: 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 at a CAGR of 5.5% and 6.3%, respectively, since 1995. Over the last three years, third party funding sources such as hedge funds have also provided over $5 billion of incremental capital to fund new film content production. 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 and industry cycles, attendance has grown at a 1.6% CAGR over the last 35 years to 1.45 billion patrons in 2006. According to Nielsen Entertainment/NRG, 80% of moviegoers stated their overall theatre experience in 2006 was time and money well spent. Additionally, younger moviegoers in the U.S. continue to be the most frequent patrons.

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 estimated average ticket price in the U.S. of $6.55 in 2006. Average prices in 2006 for other forms of out-of-home entertainment in the U.S., including sporting events and theme parks, range from approximately $22.40 to $61.60 per ticket according to MPAA. 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.

Recent Developments

Repurchase of 9% Senior Subordinated Notes

On March 6, 2007, we commenced an offer to purchase for cash, on the terms and subject to the conditions set forth in an Offer to Purchase and Consent Solicitation Statement, any and all of our 9% senior subordinated notes. As of the date of this prospectus, the outstanding principal amount of the 9% senior subordinated notes is approximately $332.2 million. In connection with the tender offer, we are soliciting consents for certain proposed amendments to the indenture pursuant to which the 9% senior subordinated notes were issued. We expect to fund the repurchase with the net proceeds received from NCM in connection with the consummation of the NCM transactions.

Amendments to the New Senior Secured Credit Facility

On March 14, 2007, Cinemark USA, Inc. amended its new senior secured credit facility to, among other things, modify the interest rate on the term loans under the new senior secured credit facility, modify certain prepayment terms and covenants, and facilitate the tender offer for the 9% senior subordinated notes. The term loans now accrue 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 0.50% to 0.75% per annum, or (B) a "Eurodollar rate" plus a margin that ranges from 1.50% to 1.75%, per annum. In each case, the margin is a function of the corporate credit rating applicable to the borrower. The interest rate on the revolving credit line was not amended. Additionally, the amendment removed any obligation to prepay amounts outstanding under the new senior secured credit facility in an amount equal to the amount of the net cash proceeds received from the NCM transactions or from excess cash flows, and imposed a 1% prepayment premium for one year on certain prepayments of the term loans. The amendment was a condition precedent to the consummation of the tender offer for the 9% senior subordinated notes.

Digital Cinema Implementation Partners LLC

On February 12, 2007, we, along with AMC and Regal, entered into a joint venture known as Digital Cinema Implementation Partners LLC, or DCIP, to explore the possibility of implementing digital cinema in our theatres and to establish agreements with major motion picture studios for the implementation and financing of digital cinema. In addition, DCIP has entered into a digital cinema services agreement with NCM for purposes of assisting DCIP in the development of digital cinema systems. Future digital cinema developments will be managed by DCIP, subject to certain approvals by us, AMC and Regal.

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 increasing competition from alternative forms of entertainment;

- alternative or "downstream" film distribution channels that may drive down movie theatre attendance, limit ticket price growth and shrink video release windows;
- 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

On April 2, 2004, an affiliate of MDP acquired approximately 83% of the capital stock of Cinemark, Inc. for approximately $518.2 million in cash. Prior to this offering, MDP beneficially owned approximately 66% of our outstanding common stock. MDP 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. We will not receive any of the net proceeds from the sale of shares by the selling stockholders. 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. 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.
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 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 period January 1, 2004 to April 1, 2004, the period April 2, 2004 to December 31, 2004 and the years ended December 31, 2005 and 2006 is derived from our audited consolidated financial statements appearing elsewhere in this prospectus.

Our unaudited pro forma statement of operations information and other financial information for the year ended December 31, 2006 gives effect to the Century acquisition as if it had been consummated on January 1, 2006.

The unaudited pro forma condensed consolidated financial information does not purport to represent what our results of operations would have been had the transaction noted above actually occurred on the date specified, nor does it purport to project our results of operations 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 our consolidated financial statements and related notes thereto appearing elsewhere in this prospectus.

	Cinemark, Inc. Predecessor	Cinemark Holdings, Inc. Successor			
	Period from January 1, 2004 to April 1, 2004	Period from April 2, 2004 to December 31, 2004	Year Ended December 31, 2005	Year Ended December 31, 2006	Pro Forma Year Ended December 31, 2006
		(Dollars in thousand, except per share data)			
Statement of Operations Data(1):					
Revenues:					
Admissions	$ 149,134	$ 497,865	$ 641,240	$ 760,275	$ 1,029,881
Concession	72,480	249,141	320,072	375,798	487,416
Other	12,011	43,611	59,285	84,521	94,807
Total Revenue	$ 233,625	$ 790,617	$ 1,020,597	$ 1,220,594	$ 1,612,104
Operating Income	556	73,620	63,501	127,369	175,579
Income (loss) from continuing operations	(9,068)	(7,842)	(25,408)	841	(3,548)
Net income (loss)	$ (10,633)	$ (3,687)	$ (25,408)	$ 841	$ (3,548)
Net income (loss) per share:					
Basic	$ (0.26)	$ (0.13)	$ (0.91)	$ 0.03	$ (0.11)
Diluted	$ (0.26)	$ (0.13)	$ (0.91)	$ 0.03	$ (0.11)
Weighted average shares outstanding:					
Basic	40,614	27,675	27,784	28,713	31,284
Diluted	40,614	27,675	27,784	29,278	31,284
Other Financial Data:					
Cash flow provided by (used for):					
Operating activities	$ 10,100	$ 112,986	$ 165,270	$ 155,662	
Investing activities	(16,210)	(100,737)	(81,617)	(631,747)(2)	
Financing activities	346,983	(361,426)	(3,750)	439,977	
Capital expenditures	(17,850)	(63,158)	(75,605)	(107,081)	
Non-GAAP Data(1)(3):					
Adjusted EBITDA	$ 50,608	$ 178,632	$ 210,135	$ 271,615	$ 360,364
Adjusted EBITDA margin	21.7%	22.6%	20.6%	22.3%	22.4%

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	Cinemark Holdings, Inc. Successor As of December 31, 2004	2005	2006
		(In thousands)	
Balance Sheet Data:			
Cash and cash equivalents	$ 100,248	$ 182,199	$ 147,099
Theatre properties and equipment, net	794,723	803,269	1,324,572
Total assets	1,831,855	1,864,852	3,171,582
Total long-term debt and capital lease obligations, including current portion	1,026,055	1,055,095	2,027,480
Stockholders' equity	533,200	519,349	689,297

	Cinemark Inc. Predecessor Period from January 1, 2004 to April 1, 2004	Cinemark Holdings, Inc. Successor Period from April 2, 2004 to December 31, 2004	Year Ended December 31, 2005	Year Ended December 31, 2006	Cinemark and Century Combined Year Ended December 31, 2006
			(Attendance in thousands)		
Operating Data:					
United States(4)					
Theatres operated (at period end)	191	191	200	281	281
Screens operated (at period end)	2,262	2,303	2,417	3,523	3,523
Total attendance(1)	25,790	87,856	105,573	118,714	155,981
International(5)					
Theatres operated (at period end)	95	101	108	115	115
Screens operated (at period end)	835	869	912	965	965
Total attendance(1)	15,791	49,904	60,104	59,550	59,550
Worldwide(4)(5)					
Theatres operated (at period end)	286	292	308	396	396
Screens operated (at period end)	3,097	3,172	3,329	4,488	4,488
Total attendance(1)	41,581	137,760	165,677	178,264	215,531

(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 2004 periods are presented as discontinued operations. See note 7 to our annual consolidated financial statements.

(2) Includes the cash portion of the Century acquisition purchase price of $531.2 million.

(3) 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."

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

We have presented Adjusted EBITDA and Adjusted EBITDA margin because we use these financial measures to monitor compliance with financial covenants in the indenture governing our $9^{3}/_{4}$% senior discount notes and in measuring our operating performance. The indenture governing the $9^{3}/_{4}$% senior discount notes requires Cinemark, Inc. to have a fixed charge coverage ratio (as determined under the indenture) of at least 2.0 to 1.0 in order to incur certain additional indebtedness, issue preferred stock or make certain restricted payments, including dividends to us. Fixed charge coverage ratio is defined as the ratio of consolidated cash flow of Cinemark, Inc. and its subsidiaries to their fixed charges for the four most recent full fiscal quarters, giving pro forma effect to certain events as specified in the indenture. Fixed charges is defined as consolidated interest expense of Cinemark, Inc. and its subsidiaries, subject to certain adjustments as provided in the indenture. Consolidated cash flow as defined in the indenture is substantially consistent with our presentation of Adjusted EBITDA in this prospectus. Because Cinemark, Inc.'s failure to meet the fixed charge coverage ratio described above could restrict its ability to incur debt or make dividend payments, management believes that the indenture governing the $9^{3}/_{4}$% senior discount notes and these covenants and the Adjusted EBITDA and Adjusted EBITDA margins are material to us. As of December 31, 2006, Cinemark, Inc.'s fixed charge coverage ratio under the indenture was in excess of the 2.0 to 1.0 requirement described above. In addition, 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.

Our unaudited pro forma reconciliation information for the year ended December 31, 2006 gives effect to the Century acquisition as if it had been consummated on January 1, 2006.

The unaudited pro forma reconciliation information does not purport to represent what our results of operations would have been had the transaction noted above actually occurred on the date specified, nor does it purport to project our results of operations for any future period or as of any future date. The unaudited pro forma reconciliation information is not comparable to our historical financial information due to the inclusion of the effects of the Century acquisition. See "Unaudited Pro Forma Condensed Consolidated Financial Information" and related notes thereto appearing elsewhere in this prospectus.

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

	Cinemark, Inc. Predecessor	Cinemark Holdings, Inc. Successor			
	Period from January 1, 2004 to April 1, 2004	Period from April 2, 2004 to December 31, 2004	Year Ended December 31, 2005	Year Ended December 31, 2006	Pro Forma Year Ended December 31, 2006
		(Dollars in thousands)			
Net Income (loss)	$ (10,633)	$ (3,687)	$ (25,408)	$ 841	$ (3,548)
Add (deduct):					
Income taxes	(3,703)	18,293	9,408	12,685	6,520
Interest expense(1)	12,562	58,149	84,082	109,328	168,051
Other (income) expense	765	5,020	(4,581)	4,515	4,556
(Income) loss from discontinued operations, net of taxes	1,565	(4,155)	—	—	—
Depreciation and amortization	16,865	58,266	81,952	95,821	137,745
Amortization of net favorable leases	—	3,087	4,174	3,649	3,671
Amortization of tenant allowances	—	—	—	—	(1,303)
Impairment of long-lived assets	1,000	36,721	51,677	28,537	28,943
(Gain) loss on sale of assets and other	(513)	3,602	4,436	7,645	7,706
Deferred lease expenses	560	3,336	4,395	5,730	5,159
Stock option compensation and change of control expenses related to the MDP Merger	31,995	—	—	—	—
Amortized compensation — stock options	145	—	—	2,864	2,864
Adjusted EBITDA	$ 50,608	$ 178,632	$ 210,135	$ 271,615	$ 360,364
Adjusted EBITDA margin	21.7%	22.6%	20.6%	22.3%	22.4%

(1) Includes amortization of debt issue costs.

The following table sets forth the reconciliation of Century's net income to Adjusted EBITDA.

	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)
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. 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 six major film distributors accounting for approximately 93% of U.S. box office revenues and 45 of the top 50 grossing films during 2006. 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 six 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 or "downstream" 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 videocassettes, DVDs, network and syndicated television, video on-demand, satellite pay-per-view television and downloading utilizing the Internet. According to Veronis Suhler Stevenson, total home video spending, including videocassettes and DVDs, increased from $17.1 billion in 2000 to $25.6 billion in 2005. 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, an important "downstream" market, 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 December 31, 2006, we had $1,911.7 million in long-term debt obligations, $115.8 million in capital lease obligations and $2,004.2 million in long-term operating lease obligations. On a pro forma basis, we incurred $168.0 million of interest expense for the year ended December 31, 2006. On a pro forma basis, we incurred $207.0 million of rent expense for the year ended December 31, 2006 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 115 theatres with 965 screens in twelve countries in Latin America. Brazil and Mexico represented approximately 8.0% and 4.4% of our consolidated 2006 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. After the completion of NCM, Inc.'s initial public offering, we continue to own a 14% interest in NCM. In connection with the NCM, Inc. initial public offering, we modified our Exhibitor Services Agreement to reflect a shift from circuit share expense under the prior exhibitor service agreement, which obligated NCM to pay us a percentage of revenue, to a monthly theatre access fee. The theatre access fee will significantly reduce the contractual amounts paid to us by NCM.

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. In-theatre advertising may not continue to attract major advertisers or NCM's in-theatre advertising format may not be received favorably 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.

On February 12, 2007, we, along with AMC and Regal entered into a joint venture known as Digital Cinema Implementation Partners LLC to explore the possibility of implementing digital cinema in our theatres and to establish agreements with major motion picture studios for the implementation and financing of digital cinema. In addition, DCIP has entered into a digital cinema services agreement with NCM for purposes of assisting DCIP in the development of digital cinema systems. Future digital cinema developments will be managed by DCIP, subject to certain approvals by us, AMC and Regal.

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 and a consent order we entered into with the Department of Justice, 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, 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, which was eight times for the evaluation performed as of December 31, 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. Significant judgment 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.

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, which was eight times for the evaluation performed as of December 31, 2006. Significant judgment 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.

We recorded asset impairment charges, including goodwill impairment charges, of $1.0 million, $36.7 million, $51.7 million and $28.5 million for 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 and 2006, respectively. During 2004, we recorded $620.5 million of goodwill as a result of the MDP Merger, and during 2006, we recorded $658.5 million of goodwill as a result of the Century acquisition. We record goodwill at the theatre level. This results in more volatile impairment charges on an annual basis due to changes in market conditions and box office performance and the resulting impact on individual theatres. 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 March 1, 2007. 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 repurchase all or a part of our 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 7.4% as of December 31, 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$% senior discount notes. Our 9$^3/_4$% senior discount notes mature in 2014. For more information on our outstanding debt, see "Management's Discussion and Analysis of Financial Condition and Results of Operations — Liquidity and Capital Resources" and "— Recent Developments — Amendments to the New Senior Secured Credit Facility."

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 December 31, 2006. Our cash and cash equivalents and capitalization is presented:

- on an actual basis;
- on an 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 included elsewhere in this prospectus.

	As of December 31, 2006	
	Actual	As Adjusted
	(Unaudited) (In thousands)	
Cash and cash equivalents	$ 147,099	$
Long-term debt, including current maturities:		
New Senior Secured Credit Facility	1,117,200	
9 3/4% Senior Discount Notes due 2014	434,073	
9% Senior Subordinated Notes due 2013(1)	350,820	
Capital lease obligations	115,827	
Other indebtedness	9,560	
Total debt	2,027,480	
Minority interest in subsidiaries	16,613	
Stockholders' equity:		
Common stock, $0.001 par value, authorized shares, actual, pro forma and pro forma as adjusted issued and outstanding	31	
Additional paid-in capital	685,495	
Accumulated other comprehensive loss	11,463	
Retained earnings (deficit)	(7,692)	
Total stockholders' equity	689,297	
Total capitalization	$ 2,733,390	

(1) Actual and as adjusted amounts shown include unamortized debt premiums of approximately $18.6 million associated with the issuance of the 9% senior subordinated notes. On March 6, 2007, we commenced a cash tender offer for any and all of our 9% senior subordinated notes, of which approximately $332.2 million aggregate principal amount remains outstanding. We expect to fund the repurchase with the net proceeds received from the NCM transactions.

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 December 31, 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 December 31, 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 December 31, 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 December 31, 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 period January 1, 2004 to April 1, 2004, the period April 2, 2004 to December 31, 2004 and the years ended December 31, 2005 and 2006 is derived from our audited consolidated financial statements appearing elsewhere in this prospectus. Our financial information for each of the years ended December 31, 2002 and 2003 is derived from our audited consolidated financial statements which are not included in this prospectus.

Our unaudited pro forma statement of operations information and other financial information for the year ended December 31, 2006 gives effect to the Century acquisition as if it had been consummated on January 1, 2006.

The unaudited pro forma condensed consolidated financial information does not purport to represent what our results of operations would have been had the transaction noted above actually occurred on the date specified, nor does it purport to project our results of operations 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 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," "Unaudited Pro Forma Condensed Consolidated Financial Information" and our consolidated financial statements and related notes appearing elsewhere in this prospectus.

	Cinemark, Inc. Predecessor			Cinemark Holdings, Inc. Successor			
	Year Ended December 31, 2002	Year Ended December 31, 2003	Period from January 1,2004 to April 1, 2004	Period from April 2, 2004 to December 31, 2004	Year Ended December 31, 2005	Year Ended December 31, 2006	Pro Forma Year Ended December 31, 2006
	(Dollars in thousands, except per share data)						
Statement of Operations Data(1):							
Revenues:							
Admissions	$ 595,287	$ 597,548	$ 149,134	$ 497,865	$ 641,240	$ 760,275	$ 1,029,881
Concession	291,807	300,568	72,480	249,141	320,072	375,798	487,416
Other	48,760	52,756	12,011	43,611	59,285	84,521	94,807
Total Revenue	$ 935,854	$ 950,872	$ 233,625	$ 790,617	$ 1,020,597	$ 1,220,594	$ 1,612,104
Operating Income	130,443	135,563	556	73,620	63,501	127,369	175,579
Income (loss) from continuing operations	40,509	47,389	(9,068)	(7,842)	(25,408)	841	(3,548)
Net income (loss)	$ 35,476	$ 44,649	$ (10,633)	$ (3,687)	$ (25,408)	$ 841	(3,548)
Net income (loss) per share:							
Basic	$ 0.88	$ 1.10	$ (0.26)	$ (0.13)	$ (0.91)	$ 0.03	(0.11)
Diluted	$ 0.87	$ 1.09	$ (0.26)	$ (0.13)	$ (0.91)	$ 0.03	(0.11)
Weighted average shares outstanding:							
Basic	40,513	40,516	40,614	27,675	27,784	28,713	31,284
Diluted	40,625	40,795	40,614	27,675	27,784	29,278	31,284
Other Financial Data:							
Cash flow provided by (used for):							
Operating activities	$ 150,119	$ 135,522	$ 10,100	$ 112,986	$ 165,270	$ 155,662	
Investing activities	(34,750)	(47,151)	(16,210)	(100,737)	(81,617)	(631,747)(2)	
Financing activities	(96,140)	(45,738)	346,983	(361,426)	(3,750)	439,977	
Capital expenditures	(38,032)	(51,002)	(17,850)	(63,158)	(75,605)	(107,081)	
Non-GAAP Data(1)(3):							
Adjusted EBITDA	$ 206,270	$ 210,122	$ 50,608	$ 178,632	$ 210,135	$ 271,615	360,364
Adjusted EBITDA margin	22.0%	22.1%	21.7%	22.6%	20.6%	22.3%	22.4%

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	Cinemark, Inc. Predecessor		Cinemark Holdings, Inc. Successor		
			As of December 31,		
	2002	2003	2004	2005	2006
			(In thousands)		
Balance Sheet Data:					
Cash and cash equivalents	$ 63,719	$ 107,322	$ 100,248	$ 182,199	$ 147,099
Theatre properties and equipment, net	791,731	775,880	794,723	803,269	1,324,572
Total assets	916,814	960,736	1,831,855	1,864,852	3,171,582
Total long-term debt and capital lease obligations, including current portion	692,587	658,431	1,026,055	1,055,095	2,027,480
Stockholders' equity	27,664	76,946	533,200	519,349	689,297

	Cinemark, Inc. Predecessor			Cinemark Holdings, Inc. Successor			Cinemark and Century Combined
	Year Ended December 31,		Period From January 1, 2004 to April 1, 2004	Period From April 2, 2004 to December 31, 2004	Year Ended December 31,		Year Ended December 31,
	2002	2003			2005	2006	2006
				(Attendance in thousands)			
Operating Data:							
United States(4)(6)							
Theatres operated (at period end)	188	189	191	191	200	281	281
Screens operated (at period end)	2,215	2,244	2,262	2,303	2,417	3,523	3,523
Total attendance(1)	111,959	112,581	25,790	87,856	105,573	118,714	155,981
International(5)							
Theatres operated (at period end)	92	97	95	101	108	115	115
Screens operated (at period end)	816	852	835	869	912	965	965
Total attendance(1)	60,109	60,553	15,791	49,904	60,104	59,550	59,550
Worldwide(4)(5)(6)							
Theatres operated (at period end)	280	286	286	292	308	396	396
Screens operated (at period end)	3,031	3,096	3,097	3,172	3,329	4,488	4,488
Total attendance(1)	172,068	173,134	41,581	137,760	165,677	178,264	215,531

(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 7 to our annual consolidated financial statements.

(2) Includes the cash portion of the Century acquisition purchase price of $531.2 million.

(3) 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."

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

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

(6) 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.

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, (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.

We have presented Adjusted EBITDA and Adjusted EBITDA margin because we use these financial measures to monitor compliance with financial covenants in the indenture governing our 9$^3/_4$% senior discount notes and in measuring our operating performance. The indenture governing the 9$^3/_4$% senior discount notes requires Cinemark, Inc. to have a fixed charge coverage ratio (as determined under the indenture) of at least 2.0 to 1.0 in order to incur certain additional indebtedness, issue preferred stock or make certain restricted payments, including dividends to us. Fixed charge coverage ratio is defined as the ratio of consolidated cash flow of Cinemark, Inc. and its subsidiaries to their fixed charges for the four most recent full fiscal quarters, giving pro forma effect to certain events as specified in the indenture. Fixed charges is defined as consolidated interest expense of Cinemark, Inc. and its subsidiaries, subject to certain adjustments as provided in the indenture. Consolidated cash flow as defined in the indenture is substantially consistent with our presentation of Adjusted EBITDA in this prospectus. Because Cinemark, Inc.'s failure to meet the fixed charge coverage ratio described above could restrict its ability to incur debt or make dividend payments, management believes that the indenture governing the 9$^3/_4$% senior discount notes and these covenants and the Adjusted EBITDA and Adjusted EBITDA margins are material to us. As of December 31, 2006, Cinemark, Inc.'s fixed charge coverage ratio under the indenture was in excess of the 2.0 to 1.0 requirement described above. In addition, 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.

Our unaudited pro forma reconciliation information for the year ended December 31, 2006 gives effect to the Century acquisition as if it had been consummated on January 1, 2006.

The unaudited pro forma reconciliation information does not purport to represent what our results of operations would have been had the transaction noted above actually occurred on the date specified, nor does it purport to project our results of operations for any future period or as of any future date. The unaudited pro forma reconciliation information is not comparable to our historical financial information due to the inclusion of the effects of the Century acquisition. See "Unaudited Pro Forma Condensed Consolidated Financial Information" and related notes thereto appearing elsewhere in this prospectus.

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, 2002	Year Ended December 31, 2003	Period From January 1, 2004 to April 1, 2004	Period From April 2, 2004 to December 31, 2004	Year Ended December 31, 2005	Year Ended December 31, 2006	Pro Forma Year Ended December 31, 2006
	(In thousands)						
Net Income (loss)	$ 35,476	$ 44,649	$ (10,633)	$ (3,687)	$ (25,408)	$ 841	$ (3,548)
Add (deduct):							
Income taxes	29,092	25,041	(3,703)	18,293	9,408	12,685	6,520
Interest expense(1)	57,793	54,163	12,562	58,149	84,082	109,328	168,051
Other (income) expense	3,150	8,970	765	5,020	(4,581)	4,515	4,556
Cumulative effect of a change in accounting principle, net of taxes	3,390	—	—	—	—	—	—
(Income) loss from discontinued operations, net of taxes	1,542	2,740	1,565	(4,155)	—	—	—
Depreciation and amortization	66,583	65,085	16,865	58,266	81,952	95,821	137,745
Amortization of net favorable leases		—	—	3,087	4,174	3,649	3,671
Amortization of tenant allowances	—	—	—	—	—	—	(1,303)
Impairment of long-lived assets	3,869	5,049	1,000	36,721	51,677	28,537	28,943
(Gain) loss on sale of assets and other	470	(1,202)	(513)	3,602	4,436	7,645	7,706
Deferred lease expenses	3,802	4,547	560	3,336	4,395	5,730	5,159
Stock option compensation and change of control expenses related to the MDP Merger	—	—	31,995	—	—	—	—
Amortized compensation — stock options	1,103	1,080	145	—	—	2,864	2,864
Adjusted EBITDA	$ 206,270	$ 210,122	$ 50,608	$ 178,632	$ 210,135	$ 271,615	$ 360,364
Adjusted EBITDA margin	22.0%	22.1%	21.7%	22.6%	20.6%	22.3%	22.4%

(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 statements of operations for the year ended December 31, 2006 gives effect to the Century acquisition as if it had occurred on January 1, 2006.

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, 2006, and Century's audited annual consolidated financial statements and related notes for its fiscal 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 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 have integrated 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 have transitioned 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 synergies resulting from our 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 Statement of Operations
For the Year Ended December 31, 2006

	Cinemark Historical(1)	Century Historical(2)	Century Stub Period(3)	Adjustments to Reflect Century Acquisition	Pro Forma
		(In thousands)			
REVENUES					
Admissions	$ 760,275	$ 264,902	$ 4,704	$ —	$ 1,029,881
Concession	375,798	109,641	1,977	—	487,416
Other	84,521	10,161	125	—	94,807
Total revenues	1,220,594	384,704	6,806	—	1,612,104
COST OF OPERATIONS					
Film rentals and advertising	405,987	137,711	2,446	—	546,144
Concession supplies	59,020	16,043	296	—	75,359
Salaries and wages	118,616	41,216	857	—	160,689
Facility lease expense	161,374	44,733	843	—	206,950
Utilities and other	144,808	39,226	665	—	184,699
General and administrative expenses	67,768	32,271	252	(15,672)(6)	84,619
Depreciation and amortization	95,821	36,200	795	4,929(4)	137,745
Amortization of net favorable leases	3,649	—	—	22(5)	3,671
Impairment of long-lived assets	28,537	406	—	—	28,943
Loss on sale of assets and other	7,645	61	—	—	7,706
Total cost of operations	1,093,225	347,867	6,154	(10,721)	1,436,525
OPERATING INCOME	127,369	36,837	652	10,721	175,579
OTHER INCOME (EXPENSE)					
Interest expense	(105,986)	(26,033)	(617)	(29,392)(7)	(162,028)
Amortization of debt issue costs	(3,342)	(454)	(14)	(2,213)(7)	(6,023)
Interest income	7,040	567	—	—	7,607
Other income (expense)	(11,555)	(609)	1	—	(12,163)
Total other expenses	(113,843)	(26,529)	(630)	(31,605)	(172,607)
INCOME BEFORE INCOME TAXES	13,526	10,308	22	(20,884)	2,972
Income taxes	12,685	4,376	—	(10,541)(8)	6,520
NET INCOME (LOSS)	$ 841	$ 5,932	$ 22	$ (10,343)	$ (3,548)
WEIGHTED AVERAGE SHARES OUTSTANDING					
Basic	28,713				31,284
Diluted	29,278				31,284
EARNINGS PER SHARE					
Basic earnings (loss) per share	$ 0.03				$ (0.11)
Diluted earnings (loss) per share	$ 0.03				$ (0.11)

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) Cinemark historical results include the results of operations of Century Theatres from October 5, 2006 to December 31, 2006.

(2) Century historical results include the results of operations of Century Theatres from December 29, 2005 to September 28, 2006.

(3) Century stub period results include the results of operations of Century Theatres from September 29, 2006 to October 4, 2006 (the period prior to the Century Acquisition).

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

(5) 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 $22.

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.

(6) To give effect to the elimination of change of control payments to Century's management.

(7) Reflects interest expense and amortization of debt issuance costs resulting from the changes to our debt structure:

Interest expense recorded on the Cinemark USA, Inc.'s existing term loan	$ (13,879)
Interest expense recorded on Century's existing credit facility	(18,217)
Interest expense on the new $1,120,000 term loan(a)	61,488
Interest expense	$ 29,392

(a) Reflects estimated interest rate of 7.32% (the initial LIBOR borrowing rate) on the new senior credit facility for the period January 1, 2006 to October 4, 2006, the period in 2006 during which the new senior secured credit facility was not in effect.

Amortization of debt issue costs on Cinemark USA, Inc.'s existing term loan	$ (179)
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(a)	2,846
Amortization of debt issue costs	$ 2,213

(a) Reflects debt issue costs on the new senior secured credit facility for the period January 1, 2006 to October 4, 2006, the period in 2006 during which the new senior secured credit facility was not in effect.

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

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

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 with and 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 additional shares to another outside investor.

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.

As of December 31, 2006, MDP owned approximately 66% of our capital stock, Lee Roy Mitchell and the Mitchell Special Trust collectively owned approximately 14%, Syufy Enterprises, LP owned approximately 11%, outside investors owned approximately 8%, and certain members of management owned the remaining 1%.

For purposes of the financial presentation in this prospectus, the historical financial information 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 reflected in the historical financial information of Cinemark Holdings, Inc. from October 5, 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."

We have prepared our discussion and analysis of the results of operations for the year ended December 31, 2005 (successor) 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. Although this combined presentation does not comply with GAAP we believe this presentation provides a meaningful method of comparison of the 2004 and 2005 results.

For financial reporting purposes at December 31, 2006, we have two reportable operating segments, our U.S. operations and our international operations.

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. Our investment in NCM has assisted 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. Successful films released during the year ended December 31, 2006 included *Ice Age 2: The Meltdown*, *Pirates of the Caribbean: Dead Man's Chest, The Da Vinci Code, X Men 3, Cars, Talladega Nights* and *Superman Returns.* 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. Films scheduled for release during 2007 include *Spider-Man 3*, *Shrek the Third*, *Pirates of the Caribbean: At World's End*, and *Harry Potter and the Order of the Phoenix.*

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 theatres under operating leases versus the number of theatres under capital leases and the number of fee-owned theatres.

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 consolidated financial results, include the following:

Revenue and Expense Recognition

Revenues are recognized when admissions and concession sales are received at the box office. 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. We record proceeds from the sale of gift cards and other advanced sale-type certificates in current liabilities and recognize admissions and concession revenue 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.

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 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. 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;
- goodwill carrying values;
- amortizing intangible asset carrying values;
- the age of a recently built theatre;
- competitive theatres in the marketplace;
- 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, 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 group (theatre) with its estimated fair value. Fair values are determined based on a multiple of undiscounted cash flows, which was seven times as of December 31, 2005 and eight times for the evaluation performed as of December 31, 2006. When estimated fair value is determined to be lower than the carrying value of the asset group (theatre), the asset group (theatre) is written down to its estimated fair value.

Significant judgment 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.

Impairment of Goodwill and Intangible Assets

We evaluate goodwill and tradename for impairment annually at fiscal year-end and any time events or circumstances indicate the carrying amount of the goodwill and intangible assets may not be fully recoverable. We evaluate goodwill for impairment at the reporting unit level (generally a theatre) and have allocated goodwill to the reporting unit based on an estimate of its relative fair value. 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 is performed to measure the potential goodwill impairment. Fair value is determined based on a multiple of cash flows, which was seven times as of December 31, 2005 and eight times for the evaluation performed as of December 31, 2006. Significant judgment 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.

Acquisitions

We account for acquisitions under the purchase method of accounting in accordance with SFAS No. 141, *"Business Combinations"*. The purchase method requires that we estimate the fair value of the assets acquired and liabilities assumed and allocate consideration paid accordingly. For significant acquisitions, we obtain independent third party valuation studies for certain of the assets acquired and liabilities assumed to assist us in determining fair value. The estimation of the fair values of the assets acquired and liabilities assumed involves a number of estimates and assumptions that could differ materially from the actual amounts recorded.

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 basis 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 consolidated balance sheet. To the extent tax accruals differ from actual payments or assessments, the accruals will be adjusted.

Recent Developments

National CineMedia

In March 2005, Regal and AMC formed NCM, and on July 15, 2005, we joined NCM, as one of the founding members. NCM operates the largest digital in-theatre network in the U.S. for cinema advertising and non-film events and combines the cinema advertising and non-film events businesses of the three largest motion picture exhibition companies in the U.S. On February 13, 2007, NCM, Inc., a newly formed entity that now serves as a member and the sole manager of NCM, completed an initial public offering of its common stock. In connection with the NCM, Inc. public offering, NCM, Inc. became a member and the sole manager of NCM, and we amended the operating agreement of NCM and the Exhibitor Services Agreement pursuant to which NCM provides advertising, promotion and event services to our theatres.

Prior to the initial public offering of NCM, Inc. common stock, our ownership interest in NCM was approximately 25% and subsequent to the completion of the offering we owned a 14% interest in NCM. Prior to pricing the initial public offering of NCM, Inc., NCM completed a recapitalization whereby (1) each issued and outstanding Class A unit of NCM was split into 44,291 Class A units, and (2) following such split of Class A Units, each issued and outstanding Class A Unit was recapitalized into one common unit and one preferred unit. As a result, we received 14,159,437 common units and 14,159,437 preferred units. All existing preferred units of NCM, or 55,850,951 preferred units, held by us, Regal and AMC were redeemed by NCM on a pro rata basis on February 13, 2007. NCM utilized the proceeds of its new $725.0 million term loan facility and a portion of the proceeds it received from NCM, Inc.'s initial public offering to redeem all of its outstanding preferred units. Each preferred unit was redeemed for $13.7782 and we received approximately $195.1 million as payment in full for redemption of all of our preferred units in NCM. Upon payment of such amount, each preferred unit was cancelled and the holders of the preferred units ceased to have any rights with respect to the preferred units.

NCM has also paid us a portion of the proceeds it received from NCM, Inc. in the initial public offering for agreeing to modify NCM's payment obligation under the prior exhibitor services agreement. The modification agreed to by us reflects a shift from circuit share expense under the prior exhibitor service agreement, which obligated NCM to pay us a percentage of revenue, to the monthly theatre access fee described below. The theatre access fee will significantly reduce the contractual amounts paid to us by NCM. In exchange for our agreement to so modify the agreement, NCM paid us approximately $174 million upon execution of the Exhibitor Services Agreement on February 13, 2007. Regal and AMC similarly altered their exhibitor services arrangements with NCM.

At the closing of the initial public offering, the underwriters exercised their over-allotment option to purchase additional shares of common stock of NCM, Inc. at the initial public offering price, less underwriting discounts and commissions. In connection with the over-allotment option exercise, Regal, AMC and us each sold to NCM, Inc. common units of NCM on a pro rata basis at the initial public offering price, less underwriting discounts and expenses. We sold 1,014,088 common units to NCM, Inc. for proceeds of $19.9 million, and upon completion of this sale of common units, we owned 13,145,349 common units of NCM, or a 14% interest. In the future, we expect to receive mandatory quarterly distributions of excess cash from NCM.

In consideration for NCM's exclusive access to our theatre attendees for on-screen advertising and use of off-screen locations within our theatres for the lobby entertainment network and lobby promotions, we will receive a monthly theatre access fee under the Exhibitor Services Agreement. The theatre access fee is composed of a fixed payment per patron, initially $0.07, and a fixed payment per digital screen, which may be adjusted for certain enumerated reasons. The payment per theatre patron will increase by 8% every five years, with the first such increase taking effect after 2011, and the payment per digital screen, initially $800 per digital screen per year, will increase annually by 5%, beginning after 2007. The theatre access fee paid in the aggregate to Regal, AMC and us will not be less than 12% of NCM's Aggregate Advertising Revenue (as defined in the Exhibitor Services Agreement), or it will be adjusted upward to reach this minimum payment. Additionally, with respect to any on-screen advertising time provided to our beverage concessionaire, we are required to purchase such time from NCM at a negotiated rate. The Exhibitor Services Agreement has, except with respect to certain limited services, a term of 30 years.

We intend to use the proceeds from the Exhibitor Services Agreement modification payment, the preferred unit redemption and the sale of common units to NCM, Inc. in connection with the exercise of the over-allotment option and cash on hand to purchase our 9% senior subordinated notes due 2013 issued by Cinemark USA, Inc. pursuant to an offer to purchase and consent solicitation described below.

Digital Cinema Implementation Partners, LLC

On February 12, 2007, we, along with AMC and Regal, entered into a joint venture known as Digital Cinema Implementation Partners LLC, or DCIP, to explore the possibility of implementing digital cinema in our theatres and to establish agreements with major motion picture studios for the implementation and financing of digital cinema. In addition, DCIP has entered into a digital cinema services agreement with NCM for purposes of assisting DCIP in the development of digital cinema systems. Future digital cinema developments will be managed by DCIP, subject to approval by us, along with our partners AMC and Regal.

Repurchase of 9% Senior Subordinated Notes

On March 6, 2007, we commenced an offer to purchase for cash, on the terms and subject to the conditions set forth in an Offer to Purchase and Consent Solicitation Statement, any and all of our 9% senior subordinated notes. As of the date of this prospectus, the outstanding principal amount of the 9% senior subordinated notes is approximately $332.2 million. In connection with the tender offer, we are soliciting consents for certain proposed amendments to the indenture pursuant to which the 9% senior subordinated notes were issued. We expect to fund the repurchase with the net proceeds received from NCM in connection with the consummation of the NCM transactions.

Amendments to the New Senior Secured Credit Facility

On March 14, 2007, Cinemark USA, Inc. amended its new senior secured credit facility to, among other things, modify the interest rate on the term loans under the new senior secured credit facility, modify certain prepayment terms and covenants, and facilitate the tender offer for the 9% senior subordinated notes. The term loans now accrue 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 0.50% to 0.75% per annum, or (B) a "Eurodollar rate" plus a margin that ranges from 1.50% to 1.75%, per annum. In each case, the margin is a function of the corporate credit rating applicable to the borrower. The interest rate on the revolving credit line was not amended. Additionally, the amendment removed any obligation to prepay amounts outstanding under the new senior secured credit facility in an amount equal to the amount of the net cash proceeds received from the NCM transactions or from excess cash flows, and imposed a 1% prepayment premium for one year on certain prepayments of the term loans. The amendment was a condition precedent to the consummation of the tender offer for the 9% senior subordinated notes.

Results of Operations

On October 5, 2006, we completed the Century acquisition 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 our common stock. We also incurred approximately $7.4 million in transaction costs. Results of operations for the year ended December 31, 2006 reflect the inclusion of operations for the 77 Century theatres acquired beginning on the date of acquisition, October 5, 2006. See note 4 to our annual consolidated financial statements.

The following table sets forth, for the periods indicated, the percentage of revenues represented by certain items reflected in our consolidated statements of operations:

	Year Ended December 31, 2004	2005	2006
Operating data (in millions)(1):			
Revenues			
Admissions	$ 647.0	$ 641.2	$ 760.3
Concession	321.6	320.1	375.8
Other	55.6	59.3	84.5
Total revenues	$ 1,024.2	$ 1,020.6	$ 1,220.6
Theatre operating costs(2)(3)			
Film rentals and advertising	$ 348.8	$ 347.7	$ 406.0
Concession supplies	53.8	52.5	59.0
Salaries and wages	103.1	101.5	118.6
Facility lease expense	128.7	138.5	161.4
Utilities and other	113.0	123.8	144.8
Total theatre operating costs	$ 747.4	$ 764.0	$ 889.8
Operating data as a percentage of total revenues(1):			
Revenues			
Admissions	63.2%	62.8%	62.3%
Concession	31.4	31.4	30.8%
Other	5.4	5.8	6.9%
Total revenues	100.0%	100.0%	100.0%
Theatre operating costs(2)(3)			
Film rentals and advertising	53.9%	54.2%	53.4%
Concession supplies	16.7	16.4	15.7
Salaries and wages	10.1	9.9	9.7
Facility lease expense	12.6	13.6	13.2
Utilities and other	11.0	12.1	11.9
Total theatre operating costs	73.0%	74.9%	72.9%
Average screen count (month end average)(1)	3,135	3,239	3,628
Revenues per average screen(1)	$ 326,664	$ 315,104	$ 336,437

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

Comparison of Years Ended December 31, 2006 and December 31, 2005

Revenues. Total revenues increased $200.0 million to $1,220.6 million for 2006 from $1,020.6 million for 2005, representing a 19.6% increase. The table below, presented by reportable operating segment, summarizes our year-over-year revenue performance and certain key performance indicators that impact our revenues.

	U.S. Operating Segment Year Ended December 31,			International Operating Segment Year Ended December 31,			Consolidated Year Ended December 31,		
	2005	2006	% Change	2005	2006	% Change	2005	2006	% Change
Admissions revenues (in millions)	$ 472.0	$ 577.9	22.4%	$ 169.2	$ 182.4	7.8%	$ 641.2	$ 760.3	18.6%
Concession revenues (in millions)	$ 248.7	$ 297.4	19.6%	$ 71.4	$ 78.4	9.8%	$ 320.1	$ 375.8	17.4%
Other revenues (in millions)(1)	$ 35.6	$ 59.4	66.9%	$ 23.7	$ 25.1	5.9%	$ 59.3	$ 84.5	42.5%
Total revenues (in millions)(1)	$ 756.3	$ 934.7	23.6%	$ 264.3	$ 285.9	8.2%	$ 1,020.6	$ 1,220.6	19.6%
Attendance (in millions)	105.6	118.7	12.4%	60.1	$ 59.6	(1.0)%	165.7	178.3	7.6%
Revenues per screen(1)	$ 321,833	$ 346,812	7.8%	$ 297,316	$ 306,459	3.1%	$ 315,104	$ 336,437	6.8%

(1) U.S. operating segment revenues include eliminations of intercompany transactions with the international operating segment. See note 20 to our consolidated financial statements.

- *Consolidated.* The increase in admissions revenues of $119.1 million was attributable to a 7.6% increase in attendance from 165.7 million patrons for 2005 to 178.3 million patrons for 2006, which contributed $57.2 million, and a 10.2% increase in average ticket price from $3.87 for 2005 to $4.26 for 2006, which contributed $61.9 million. This increase included additional admissions revenues for the 77 Century theatres acquired during the fourth quarter of 2006. The increase in concession revenues of $55.7 million was attributable to the 7.6% increase in attendance, which contributed $30.3 million, and a 9.1% increase in concession revenues per patron from $1.93 for 2005 to $2.11 for the 2006, which contributed $25.4 million. This increase included additional concession revenues for the 77 Century theatres acquired during the fourth quarter. The increase in attendance was attributable to the additional attendance from the 77 Century theatres acquired, the solid slate of films released during 2006 and new theatre openings. The increases in average ticket price and concession revenues per patron were due to the higher ticket price structure at the 77 Century theatres acquired, price increases and favorable exchange rates in certain countries in which we operate. The 42.5% increase in other revenues was primarily attributable to incremental screen advertising revenues resulting from our participation in the NCM joint venture.

- *U.S.* The increase in admissions revenues of $105.9 million was attributable to a 12.4% increase in attendance from 105.6 million patrons for 2005 to 118.7 million patrons for 2006, which contributed $58.7 million, and an 8.9% increase in average ticket price from $4.47 for 2005 to $4.87 for 2006, which contributed $47.2 million. This increase included additional admissions revenues for the 77 Century theatres acquired during the fourth quarter of 2006. The increase in concession revenues of $48.7 million was attributable to the 12.4% increase in attendance, which contributed $31.0 million, and a 6.3% increase in concession revenues per patron from $2.36 for 2005 to $2.51 for 2006, which contributed $17.7 million. This increase included additional concession revenues for the 77 Century theatres acquired during the fourth quarter. The increase in attendance was attributable to the additional attendance from the 77 Century theatres acquired, the solid slate of films released during 2006 and new theatre openings. The increases in average ticket price and concession revenues per patron were due to the higher ticket price structure at the 77 Century theatres acquired and price increases. The 66.9% increase in other revenues was primarily attributable to incremental screen advertising revenues resulting from our participation in the joint venture with NCM.

- *International.* The increase in admissions revenues of $13.2 million was attributable to an 8.8% increase in average ticket price from $2.82 for 2005 to $3.06 for 2006, which contributed $14.7 million, partially offset by a 1.0% decrease in attendance, which contributed $(1.5) million. The decrease in attendance was due to increased competition in certain markets. The increase in concession revenues of $7.0 million was attributable to a 10.9% increase in concession revenues per patron from $1.19 for 2005 to $1.32 for 2006, which contributed $7.7 million, partially offset by the 1.0% decrease in attendance, which contributed $(0.7) million. The increases in average ticket price and concession revenues per patron were due to price increases and favorable exchange rates in certain countries in which we operate.

Theatre Operating Costs (excludes depreciation and amortization expense). Theatre operating costs were $889.8 million, or 72.9% of revenues, for 2006 compared to $764.0 million, or 74.9% of revenues, for 2005. The decrease, as a percentage of revenues, was primarily due to the 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. The table below, presented by reportable operating segment, summarizes our year-over-year theatre operating costs.

	U.S. Operating Segment Year Ended December 31,		International Operating Segment Year Ended December 31,		Consolidated Year Ended December 31,	
	2005	2006	2005	2006	2005	2006
Film rentals and advertising	$ 263.7	$ 315.4	$ 84.0	$ 90.6	$ 347.7	$ 406.0
Concession supplies	34.5	38.7	18.0	20.3	$ 52.5	$ 59.0
Salaries and wages	80.8	95.8	20.7	22.8	$ 101.5	$ 118.6
Facility lease expense	97.7	117.0	40.8	44.4	$ 138.5	$ 161.4
Utilities and other	90.7	108.3	33.1	36.5	$ 123.8	$ 144.8
Total theatre operating costs	$ 567.4	$ 675.2	$ 196.6	$ 214.6	$ 764.0	$ 889.8

- *Consolidated.* Film rentals and advertising costs were $406.0 million, or 53.4% of admissions revenues, for 2006 compared to $347.7 million, or 54.2% of admissions revenues, for 2005. The increase in film rentals and advertising costs for 2006 of $58.3 million is due to increased admissions revenues, which contributed $65.7 million, and a decrease in our film rental and advertising rate, which contributed $(7.4) million. 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 2006 compared with 2005 which had certain blockbuster films with higher than average film rental rates. Concession supplies expense was $59.0 million, or 15.7% of concession revenues, for 2006 compared to $52.5 million, or 16.4% of concession revenues, for 2005. The increase in concession supplies expense of $6.5 million is primarily due to increased concession revenues, which contributed $8.5 million, and a decrease in our concession supplies rate, which contributed $(2.0) million. The decrease in concession supplies expense as a percentage of revenues was primarily due to concession sales price increases.

  Salaries and wages increased to $118.6 million for 2006 from $101.5 million for 2005 primarily due to the additional salaries and wages related to the 77 Century theatres, the increase in attendance and new theatre openings. Facility lease expense increased to $161.4 million for 2006 from $138.5 million for 2005 primarily due to the additional expense related to the 77 Century theatres, increased percentage rent related to the increased revenues and new theatre openings. Utilities and other costs increased to $144.8 million for 2006 from $123.8 million for 2005 primarily due to the additional costs related to the 77 Century theatres, higher utility and janitorial supplies costs at our existing theatres and new theatre openings.

- *U.S.* Film rentals and advertising costs were $315.4 million, or 54.6% of admissions revenues, for 2006 compared to $263.7 million, or 55.9% of admissions revenues, for 2005. The increase in film rentals and advertising costs for 2006 of $51.7 million is due to increased admissions revenues, which contributed $59.2 million, and a decrease in our film rentals and advertising rate, which contributed $(7.5) million. 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 2006 compared with 2005 which had certain blockbuster films with higher than average film rental rates. Concession supplies expense was $38.7 million, or 13.0% of concession revenues, for 2006 compared to $34.5 million, or 13.9% of concession revenues, for 2005. The increase in concession supplies expense of $4.2 million is due to increased concession revenues, which contributed $6.7 million, and a decrease in our concession supplies rate, which contributed $(2.5) million. The decrease in concession supplies expense as a percentage of revenues was primarily due to concession sales price increases.

Salaries and wages increased to $95.8 million for 2006 from $80.8 million for 2005 primarily due to the additional salaries and wages related to the 77 Century theatres, the increase in attendance and new theatre openings. Facility lease expense increased to $117.0 million for 2006 from $97.7 million for 2005 primarily due to the additional expense related to the 77 Century theatres, increased percentage rent related to increased revenues and new theatre openings. Utilities and other costs increased to $108.3 million for 2006 from $90.7 million for 2005 primarily due to additional costs related to the 77 Century theatres, higher utility and janitorial supplies costs at our existing theatres and new theatre openings.

- *International.* Film rentals and advertising costs were $90.6 million, or 49.7% of admissions revenues, for 2006 compared to $84.0 million, or 49.6% of admissions revenues, for 2005. The increase in film rentals and advertising costs for 2006 is primarily due to increased admissions revenues. Concession supplies expense was $20.3 million, or 25.9% of concession revenues, for 2006 compared to $18.0 million, or 25.2% of concession revenues, for 2005. The increase in concession supplies expense of $2.3 million is due to increased concession revenues, which contributed $1.8 million, and an increase in our concession supplies rate, which contributed $0.5 million.

Salaries and wages increased to $22.8 million for 2006 from $20.7 million for 2005 primarily due to new theatre openings. Facility lease expense increased to $44.4 million for 2006 from $40.8 million for 2005 primarily due to increased percentage rent related to increased revenues and new theatre openings. Utilities and other costs increased to $36.5 million for 2006 from $33.1 million for 2005 primarily due to higher utility and janitorial supplies costs at our existing theatres and new theatre openings.

General and Administrative Expenses. General and administrative expenses increased to $67.8 million for 2006 from $50.9 million for 2005 primarily due to a $3.7 million increase due to incentive compensation expense, a $3.0 million increase to salaries and wages, a $2.9 million increase to stock option compensation expense related to the adoption of SFAS No. 123 (R), and a $1.3 million increase in service charges related to increased credit card activity and additional overhead costs associated with the integration of the Century.

Depreciation and Amortization. Depreciation and amortization expense, including amortization of favorable leases, was $99.5 million for 2006 compared to $86.1 million for 2005 primarily due to the Century acquisition and new theatre openings.

Impairment of Long-Lived Assets. We recorded asset impairment charges on assets held and used of $28.5 million for 2006 compared to $51.7 million for 2005. Impairment charges for 2006 and 2005 included the write-down of theatres to their fair values. Impairment charges for 2006 consisted of $13.6 million of theatre properties, $13.6 million of goodwill associated with theatre properties and $1.3 million of intangible assets associated with theatre properties. Impairment charges for 2005 consisted of $6.4 million of theatre properties and $45.3 million of 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 and box office performance and the resulting impact on individual theatres. Significant judgment 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 9 and 10 to our consolidated financial statements.

Loss on Sale of Assets and Other. We recorded a loss on sale of assets and other of $7.6 million during 2006 compared to $4.4 million during 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 and asset write-offs 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 $109.3 million for 2006 compared to $84.1 million for 2005. The increase was primarily due to the financing associated with the Century acquisition.

Loss on Early Retirement of Debt. During 2006, we recorded a loss on early retirement of debt of $8.3 million which was a result of the refinancing associated with the Century acquisition, the repurchase of $10.0 million aggregate principal amount of Cinemark USA, Inc.'s 9% senior subordinated notes, and the repurchase of $39.8 million aggregate principal amount at maturity of our 9 3/4% senior discount notes, all of which resulted in the write-off of unamortized debt issue costs and the payment of fees and expenses. See notes 4 and 12 to our consolidated financial statements.

Income Taxes. Income tax expense of $12.7 million was recorded for 2006 compared to $9.4 million recorded for 2005. The effective tax rate for 2006 reflects the impact of purchase accounting adjustments resulting from the Century acquisition. The effective tax rate for 2005 reflects the impact of purchase accounting adjustments and related goodwill impairment charges resulting from the MDP Merger. See note 18 to our consolidated financial statements.

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, presented by reportable operating segment, summarizes our year-over-year revenue performance and certain key performance indicators that impact our revenues.

	U.S. Operating Segment Year Ended December 31,		%	International Operating Segment Year Ended December 31,		%	Consolidated Year Ended December 31,		%
	2004	2005	Change	2004	2005	Change	2004	2005	Change
Admissions revenues (in millions)	$ 489.0	$ 472.0	(3.5)%	$ 158.0	$ 169.2	7.1%	$ 647.0	$ 641.2	(0.9)%
Concession revenues (in millions)	$ 255.9	$ 248.7	(2.8)%	$ 65.7	$ 71.4	8.7%	$ 321.6	$ 320.1	(0.5)%
Other revenues (in millions)(1)	$ 37.1	$ 35.6	(4.0)%	$ 18.5	$ 23.7	28.1%	$ 55.6	$ 59.3	6.7%
Total revenues (in millions)(1)	$ 782.0	$ 756.3	(3.3)%	$ 242.2	$ 264.3	9.1%	$ 1,024.2	$ 1,020.6	(0.4)%
Attendance (in millions)	113.6	105.6	(7.1)%	65.7	60.1	(8.5)%	179.3	165.7	(7.6)%
Revenues per screen(1)	$ 341,747	$ 321,833	(5.8)%	$ 286,364	$ 297,316	3.8%	$ 326,664	$ 315,104	(3.5)%

(1) U.S. operating segment revenues include eliminations of intercompany transactions with the international operating segment. See note 20 to our consolidated financial statements.

- Consolidated. The decrease in admissions revenues of $5.8 million was due to the 7.6% decline in attendance, which contributed $(48.1) million, partially offset by the 7.3% increase in average ticket prices, which contributed $42.3 million. The decline in concession revenues of $1.5 million was also attributable to the decline in attendance, which contributed $(23.7) million, partially offset by the 7.7% increase in concession revenues per patron, which contributed $22.2 million. 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.

- *U.S.* The decrease in admissions revenues of $17.0 million was attributable to the 7.1% decrease in attendance from 113.6 million patrons for 2004 to 105.6 million patrons for 2005, which contributed $(34.7) million, partially offset by a 3.9% increase in average ticket price from $4.30 for 2004 to $4.47 for 2005, which contributed $17.7 million. The decline in concession revenues of $7.2 million was attributable to the 7.1% decrease in attendance, which contributed $(18.2) million, partially offset by a 4.6% increase in concession revenues per patron from $2.25 per patron for 2004 to $2.36 per patron for 2005, which contributed $11.0 million. 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.

- *International.* The increase in admissions revenues of $11.2 million was attributable to a 17.1% increase in average ticket price from $2.40 for 2004 to $2.82 for 2005, which contributed $24.6 million, partially offset by the 8.5% decrease in attendance from 65.7 million patrons for 2004 to 60.1 million patrons for 2005, which contributed $(13.4) million. The increase in concession revenues of $5.7 million was attributable to an 18.6% increase in concession revenues per patron from $1.00 per patron for 2004 to $1.19 per patron for 2005, which contributed $11.2 million, partially offset by the 8.5% decrease in attendance, which contributed $(5.5) million. 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 favorable exchange rates in certain countries in which we operate.

Theatre Operating Costs (excludes depreciation and amortization expense). Theatre operating costs were $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 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. The table below, presented by reportable operating segment, summarizes our year-over-year theatre operating costs.

	U.S. Operating Segment Year Ended December 31,		International Operating Segment Year Ended December 31,		Consolidated Year Ended December 31,	
	2004	**2005**	**2004**	**2005**	**2004**	**2005**
Film rentals and advertising	$ 270.1	$ 263.7	$ 78.7	$ 84.0	$ 348.8	$ 347.7
Concession supplies	37.2	34.5	16.6	18.0	$ 53.8	$ 52.5
Salaries and wages	84.9	80.8	18.2	20.7	$ 103.1	$ 101.5
Facility lease expense	93.7	97.7	35.0	40.8	$ 128.7	$ 138.5
Utilities and other	85.2	90.7	27.8	33.1	$ 113.0	$ 123.8
Total theatre operating costs	$ 571.1	$ 567.4	$ 176.3	$ 196.6	$ 747.4	$ 764.0

- *Consolidated.* 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 $1.1 million decrease in film rentals and advertising costs for 2005 is due to decreased admissions revenues, which contributed $(3.8) million, offset by an increase in our film rentals and advertising rate, which contributed $2.7 million. 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 of $1.3 million is primarily due to a decrease in our concession supplies rate. The decrease in concession supplies expense as a percentage of concession revenues was primarily due to concession sales 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.

- U.S. Film rentals and advertising costs were $263.7 million, or 55.9% of admissions revenues, for 2005 compared to $270.1 million, or 55.2% of admissions revenues, for 2004. The decrease of $6.4 million in film rentals and advertising costs for 2005 is due to decreased admissions revenues, which contributed $(9.4) million, offset by an increase in our film rentals and advertising rate, which contributed $3.0 million. The increase in film rentals and advertising costs as a percentage of admissions revenues was due to high film rental costs associated with certain blockbuster films released during 2005. Concession supplies expense was $34.5 million, or 13.9% of concession revenues, for 2005 compared to $37.2 million, or 14.5% of concession revenues, for 2004. The decrease in concession supplies expense of $2.7 million is due to decreased concession revenues, which contributed $(1.0) million, and a decrease in our concession supplies rate, which contributed $(1.7) million. The decrease in concession supplies expense as a percentage of revenues was primarily due to concession sales price increases.

  Salaries and wages decreased to $80.8 million for 2005 from $84.9 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 $97.7 million for 2005 from $93.7 million for 2004 primarily due to increased percentage rent related to increased revenues and new theatre openings. Utilities and other costs increased to $90.7 million for 2005 from $85.2 million for 2004 primarily due to higher utility and janitorial supplies costs at our existing theatres and new theatre openings.

- International. Film rentals and advertising costs were $84.0 million, or 49.6% of admissions revenues, for 2005 compared to $78.7 million, or 49.8% of admissions revenues, for 2004. The increase in film rentals and advertising costs of $5.3 million for 2005 is primarily due to increased admissions revenues. Concession supplies expense was $18.0 million, or 25.2% of concession revenues, for 2005 compared to $16.6 million, or 25.3% of concession revenues, for 2004. The increase in concession supplies expense of $1.4 million is primarily due to increased concession revenues.

  Salaries and wages increased to $20.7 million for 2005 from $18.2 million for 2004 primarily due to new theatre openings. Facility lease expense increased to $40.8 million for 2005 from $35.0 million for 2004 primarily due to increased percentage rent related to increased revenues and new theatre openings. Utilities and other costs increased to $33.1 million for 2005 from $27.8 million for 2004 primarily due to higher utility and janitorial supplies costs at our existing theatres 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 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 5 to our 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 results in more volatile impairment charges on an annual basis due to changes in market conditions and box office performance and the resulting impact on individual theatres. Significant judgment 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 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 2004, 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 12 to our 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 18 to our 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 7 to our 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. In addition, a majority of our theatres provide the patron a choice of using a credit card, in place of cash, which we convert to cash over a range of one to six 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 $123.1 million, $165.3 million and $155.7 million for the years ended December 31, 2004, 2005 and 2006, respectively. The increase in cash provided by operating activities from 2004 to 2005 is primarily the result of an increase in our income tax payable balance of approximately $20.2 million at December 31, 2005 compared to December 31, 2004 related to the timing of our income tax payments. Our accounts payable and accrued liabilities also increased approximately $14.1 million at December 31, 2005 compared to December 31, 2004 primarily due to the increase in business and resulting expenses in December 2005 compared with December 2004 and the timing of our payments of such liabilities.

Since the issuance of the 9 3/4% senior discount notes on March 31, 2004, interest has accreted rather than been paid in cash, which has benefited our operating cash flows for the periods presented. Interest will be paid in cash commencing September 15, 2009, at which time our operating cash flows will be impacted by these cash payments.

We have experienced a net loss for two of the last three fiscal years, which is primarily a result of our increased interest expense related to our capital structure, increased goodwill impairment expense related to the 2004 MDP Merger and the Century acquisition in 2006 combined with our policy of recording goodwill at the theatre level, which results in more volatile impairment charges on an annual basis due to changes in market conditions and box office performance and the resulting impact on individual theatres. Upon completion of this offering, we plan to use a portion of the proceeds to prepay a portion of our long-term debt, which will result in lower interest expense.

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 $116.9 million, $81.6 million and $631.7 million for the years ended December 31, 2004, 2005 and 2006, respectively. The increase in cash used for investing activities for the year ended December 31, 2006 is primarily due to the cash portion of the Century acquisition purchase price of $531.2 million (See Note 4 to our consolidated financial statements) and increased capital expenditures.

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

Period	New Theatres	Existing Theatres	Total
Year Ended December 31, 2004	$ 61.5	$ 19.5	$ 81.0
Year Ended December 31, 2005	$ 50.3	$ 25.3	$ 75.6
Year Ended December 31, 2006	$ 68.8	$ 38.3	$107.1

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 5 to our 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 5 to our consolidated financial statements for further discussion of this acquisition.

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 for advertising and other non-film content 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 year ended December 31, 2006. As a result of the Century acquisition, we owned approximately 25% of NCM and committed to install digital distribution technology in the majority of the theatres acquired, which we estimate will result in capital expenditures of approximately $6.6 million of which as of December 31, 2006, we had spent approximately $3.8 million. We expect to complete the installation of digital technology in our theatres for advertising and other non-film content at a cost of $2.8 million during the first quarter of 2007. See note 6 to our consolidated financial statements for further discussion of the NCM joint venture.

During October 2006, we completed the Century acquisition 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 our common stock. We also incurred approximately $7.4 million in transaction costs. See note 4 to our consolidated financial statements for further discussion of this acquisition.

We continue to expand our U.S. theatre circuit. We opened 14 new theatres with 179 screens and acquired one theatre with 12 screens in an exchange for one of our theatres during the year ended December 31, 2006. We also completed the acquisition of Century with 77 theatres and 1,017 screens. At December 31, 2006, our total domestic screen count was 3,523 screens (12 of which are in Canada). At December 31, 2006, we had signed commitments to open 13 new theatres with 200 screens in domestic markets during 2007 and open eight new theatres with 126 screens subsequent to 2007. We estimate the remaining capital expenditures for the development of all of the 326 domestic screens will be approximately $123.0 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 seven new theatres with 53 screens during the year ended December 31, 2006, bringing our total international screen count to 965 screens. At December 31, 2006, we had signed commitments to open four new theatres with 27 screens in international markets during 2007 and open three new theatres with 29 screens subsequent to 2007. We estimate the remaining capital expenditures for the development of all of the 56 international screens will be approximately $32.0 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 provided by (used for) financing activities, as reflected in the consolidated statements of cash flows, amounted to $(14.4) million, $(3.8) million and $440.0 million during the years ended December 31, 2004, 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.

Long-term debt consisted of the following as of December 31, 2005 and 2006:

	December 31, 2005	December 31, 2006
Cinemark, Inc. 9 3/4% senior discount notes due 2014	$ 423,978	$ 434,073
Cinemark USA, Inc. 9% senior subordinated notes due 2013	364,170	350,820
Cinemark USA, Inc. term loan	255,450	1,117,200
Other long-term debt	11,497	9,560
Total long-term debt	1,055,095	1,911,653
Less current portion	6,871	14,259
Long-term debt, less current portion	$ 1,048,224	$ 1,897,394

As of December 31, 2006, we had borrowings of $1,117.2 million outstanding on the term loan under our new senior secured credit facility, $434.1 million accreted amount at December 31, 2006 outstanding under our 9 3/4% senior discount notes and approximately $332.2 million aggregate principal amount outstanding under the 9% senior subordinated notes, respectively, and had $149.9 million in available borrowing capacity under our revolving credit facility. On a pro forma basis, we incurred $168.0 million of interest expense for the year ended December 31, 2006. We were in full compliance with all agreements governing our outstanding debt at December 31, 2006.

As of December 31, 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 as follows:

	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)	$2,013.2	$ 14.3	$ 27.7	$ 23.6	$1,947.6
Scheduled interest payments on long-term debt(3)	953.4	112.6	237.2	322.6	281.0
Operating lease obligations	2,004.2	163.7	334.7	320.1	1,185.7
Capital lease obligations	115.8	3.6	8.7	10.4	93.1
Scheduled interest payments on capital leases	119.0	12.4	23.5	21.4	61.7
Letters of credit	0.1	0.1	—	—	—
Employment agreements	9.3	3.1	6.2	—	—
Purchase commitments(4)	162.7	78.1	71.6	12.5	0.5
Total	$5,377.7	$ 387.9	$ 709.6	$ 710.6	$3,569.6

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

(2) On March 6, 2007, we commenced a tender offer for any and all of our 9% senior subordinated notes, of which $332.2 million aggregate principal amount remains outstanding. See note 26 of our consolidated financial statements.

(3) 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 December 31, 2006. The average interest rates on our fixed rate and variable rate debt were 9.5% and 7.4%, respectively, as of December 31, 2006.

(4) Includes estimated remaining capital expenditures associated with the construction of new theatres to which we were committed as of December 31, 2006.

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 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 Cinemark, Inc.'s holding company status, payments of principal and interest under these notes will be dependent on loans, dividends and other payments from its subsidiaries. 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, including accreted interest of $5.4 million. Cinemark, Inc. funded these transactions with available cash from its operations. As of December 31, 2006, the accreted principal balance of the notes was approximately $434.1 million and the aggregate principal amount at maturity will be approximately

$535.6 million. The open market repurchase costs, including premiums paid and a portion of the unamortized debt issue costs of $0.1 million and $2.4 million related to the repurchase of the 9 3/4% senior discount notes, were recorded as a loss on early retirement of debt in our consolidated statements of operations for the years ended December 31, 2005 and 2006, respectively.

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 dividend 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.

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. The unamortized bond premiums paid, and other fees of $1.0 million related to the retirement of the 9% notes were recorded as a gain on early retirement of debt in our consolidated statements of operations for the period from April 2, 2004 to December 31, 2004.

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, we recorded a loss on early retirement of debt of $0.1 million during the year ended December 31, 2006, which included the write-off of unamortized debt issue costs and unamortized bond premium related to the retired subordinated notes.

As of December 31, 2006, Cinemark USA, Inc. had outstanding approximately $332.2 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 nonguarantor 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.

On March 6, 2007, we commenced an offer to purchase for cash, on the terms and subject to the conditions set forth in an Offer to Purchase and Consent Solicitation Statement, any and all of our 9% senior subordinated notes. As of the date of this prospectus, the outstanding principal amount of the 9% senior subordinated notes is approximately $332.2 million. In connection with the tender offer, we are soliciting consents for certain proposed amendments to the indenture. We intend to use the proceeds from the Exhibitor Services Agreement modification payment, the preferred unit redemption and the sale of common units to NCM, Inc. in connection with the exercise of the over-allotment option and cash on hand to purchase our 9% senior subordinated notes pursuant to the tender offer and consent solicitation.

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 8½% 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 8½% 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 8½% senior subordinated notes that were tendered, leaving outstanding approximately $10.8 million aggregate principal amount of 8½% senior subordinated notes. The unamortized bond discount, tender offer repurchase costs, including premiums paid, and other fees of $4.4 million related to the retirement of the 8½% notes were recorded as a loss on early retirement of debt in our 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 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. The unamortized bond premium, tender offer repurchase costs, including premiums paid, and other fees of $0.1 million related to the retirement of the 8 1/2% notes were recorded as a gain on early retirement of debt in our consolidated statements of operations for the period from April 2, 2004 to December 31, 2004.

New Senior Secured Credit Facility

On October 5, 2006, in connection with the Century acquisition, Cinemark USA, Inc., entered into a new senior secured credit facility. 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 a portion of the $531.2 million cash portion of the Century acquisition, repay in full the $253.5 million outstanding under the former senior secured credit facility, repay $360.0 million of existing indebtedness of Century and to pay for related fees and expenses. The revolving credit line was left undrawn at closing. The revolving credit line is used for our general corporate purposes.

At December 31, 2006, there was $1,117.2 million outstanding under the new term loan and no borrowings outstanding under the new revolving credit line. Approximately $149.9 million was available for borrowing under the new revolving credit line, giving effect to a $69,000 letter of credit outstanding. The average interest rate on outstanding borrowings under the new senior secured credit facility at December 31, 2006 was 7.4% per annum.

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 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 ranges from 1.75% to 2.00% per annum, in each case as adjusted pursuant to Cinemark USA, Inc.'s corporate credit rating. Borrowings under the revolving credit line bear 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 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 Cinemark USA, Inc.'s consolidated net senior secured leverage ratio as defined in the credit agreement. Cinemark USA, Inc. is required to pay a commitment fee calculated at the rate of 0.50% per annum on the average daily unused portion of the new revolving credit line, payable quarterly in arrears, which rate decreases to 0.375% per annum for any fiscal quarter in which Cinemark USA, Inc.'s 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.

On March 14, 2007, Cinemark USA, Inc. amended its new senior secured credit facility to, among other things, modify the interest rate on the term loans under the new senior secured credit facility, modify certain prepayment terms and covenants, and facilitate the tender offer for the 9% senior subordinated notes. The term loans now accrue 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 0.50% to 0.75% per annum, or (B) a "Eurodollar rate" plus a margin that ranges from 1.50% to 1.75%, per annum. In each case, the margin is a function of the corporate credit rating applicable to the borrower. The interest rate on the revolving credit line was not amended. Additionally, the amendment removed any obligation to prepay amounts outstanding under the new senior secured credit facility in an amount equal to the amount of the net cash proceeds received from the NCM transactions or from excess cash flows, and imposed a 1% prepayment premium for one year on certain prepayments of the term loans. The amendment was a condition precedent to the consummation of the tender offer for the 9% senior subordinated notes.

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.

On October 5, 2006, in connection with the Century acquisition, the $253.5 million outstanding under the former senior secured credit facility was repaid in full with a portion of the proceeds from the new senior secured credit facility. The unamortized debt issue costs of $5.8 million related to the former senior secured credit facility that was repaid in full were recorded as a loss on early retirement of debt in our consolidated statements of operations for the year ended December 31, 2006.

Covenant Compliance

The indenture governing the 9$^{3}/_{4}$% senior discount notes requires Cinemark, Inc. to have a fixed charge coverage ratio (as determined under the indenture) of at least 2.0 to 1.0 in order to incur additional indebtedness, issue preferred stock or make certain restricted payments, including dividends to us. Fixed charge coverage ratio is defined as the ratio of consolidated cash flow of Cinemark, Inc. and its subsidiaries to their fixed charges for the four most recent fiscal quarters, giving pro forma effect to certain events as specified in the indenture. Fixed charges is defined as consolidated interest expense of Cinemark, Inc. and its subsidiaries, subject to certain adjustments as provided in the indenture. Consolidated cash flow as defined in the indenture is substantially consistent with our presentation of Adjusted EBITDA in this prospectus. Because Cinemark, Inc.'s failure to meet the fixed charge coverage ratio described above could restrict its ability to incur debt or make dividend payments, management believes that the indenture governing the 9$^{3}/_{4}$% senior discount notes and these covenants and the Adjusted EBITDA and Adjusted EBITDA margins are material to us. As of December 31, 2006, Cinemark, Inc.'s fixed charge coverage ratio under the indenture was in excess of the 2.0 to 1.0 requirement described above.

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 a reconciliation of net income (loss) to Adjusted EBITDA.

	Year ended December 31, 2004	Year ended December 31, 2005	Year ended December 31, 2006
		(In thousands)	
Net Income (loss)	$ (14,320)	$ (25,408)	$ 841
Add (deduct):			
Income taxes	14,590	9,408	12,685
Interest expense(1)	70,711	84,082	109,328
Other (income) expense	5,785	(4,581)	4,515
Income (loss) from discontinued operations, net of taxes	(2,590)	—	—
Depreciation and amortization	75,131	81,952	95,821
Amortization of net favorable leases	3,087	4,174	3,649
Amortization of tenant allowances	—	—	—
Impairment of long-lived assets	37,721	51,677	28,537
Gain (loss) on sale of assets and other	3,089	4,436	7,645
Deferred lease expenses	3,896	4,395	5,730
Stock option compensation and change of control expenses related to the MDP Merger	31,995	—	—
Amortized compensation — stock options	145	—	2,864
Adjusted EBITDA	$ 229,240	$ 210,135	$ 271,615

(1) Includes amortization of debt issue costs.

As of December 31, 2006, we are in full compliance with all agreements, including related covenants, governing our outstanding debt.

Ratings

We are rated by nationally recognized rating agencies. The significance of individual ratings varies from agency to agency. However, companies' assigned ratings at the top end of the range have, in the opinion of certain rating agencies, the strongest capacity for repayment of debt or payment of claims, while companies at the bottom end of the range have the weakest capability. Ratings are always subject to change and there can be no assurance that our current ratings will continue for any given period of time. A downgrade of our debt ratings, depending on the extent, could increase the cost to borrow funds. Below are our latest ratings per category, which were current as of February 28, 2007.

Category	Moody's	Standard and Poor's
Cinemark, Inc. 9 3/4% Senior Discount Notes	B3	CCC+
Cinemark USA, Inc. Senior Secured Credit Facility	Ba2	B
Cinemark USA, Inc. 9% Senior Subordinated Notes	B2	CCC+

New Accounting Pronouncements

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. We estimate the new margin tax will not have a significant impact on our income tax expense or its deferred tax assets and liabilities.

In June 2006, the Financial Accounting Standards Board, or FASB, issued FASB Interpretation No. 48, *"Accounting for Uncertainty in Income Taxes an Interpretation of FASB No. 109"* (FIN 48). FIN 48 clarifies the accounting and reporting for income taxes recognized in accordance with SFAS No. 109 *"Accounting for Income Taxes"*, and recognition, measurement, presentation and disclosure of uncertain tax positions taken or expected to be taken in income tax returns. The evaluation of a tax position in accordance with this interpretation is a two-step process. The first step is recognition: The enterprise determines whether it is more likely than not that a tax position will be sustained upon examination, including resolution of any related appeals or litigation processes, based on the technical merits of the position. In evaluating whether a tax position has met the more-likely-than-not recognition threshold, the enterprise should presume that the position will be examined by the appropriate taxing authority that would have full knowledge of all relevant information. The second step is measurement: A tax position that meets the more-likely-than-not recognition threshold is measured to determine the amount of benefit to recognize in the financial statements. The tax position is measured at the largest amount of benefit that is greater than 50 percent likely of being realized upon ultimate settlement. Differences between tax positions taken in a tax return and amounts recognized in the financial statements will generally result in (1) an increase in a liability for income taxes payable or (2) a reduction of an income tax refund receivable or a reduction in a deferred tax asset or an increase in a deferred tax liability or both (1) and (2). The Company will adopt FIN 48 in the first quarter of 2007. The Company is currently evaluating the impact the interpretation may have on its consolidated financial position, cash flows and results of operations.

In September 2006, the FASB issued SFAS No. 157, *"Fair Value Measurements."* Among other requirements, 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. We are evaluating the impact of SFAS No. 157 on our consolidated financial statements.

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,"* 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 adoption of SAB No. 108 did not have a significant impact on our consolidated financial statements.

In February 2007, the FASB issued SFAS No. 159, *"The Fair Value Option for Financial Assets and Financial Liabilities"*. SFAS No. 159 provides companies with an option to report selected financial assets and liabilities at fair value and establishes presentation and disclosure requirements designed to facilitate comparisons between companies that choose different measurement attributes for similar types of assets and liabilities. SFAS No. 159 is effective for fiscal years beginning after November 15, 2007. We are in the process of evaluating the impact of the adoption of this statement on our consolidated financial statements.

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 December 31, 2006, there was an aggregate of approximately $1,126.7 million of variable rate debt outstanding under these facilities. Based on the interest rates in effect on the variable rate debt outstanding at December 31, 2006, a 1% increase in market interest rates would increase our annual interest expense by approximately $11 million.

The tables below provide information about our long-term fixed rate and variable rate debt agreements as of December 31, 2005 and 2006:

	Expected Maturity as of December 31, 2006								
	2007	2008	2009	2010	2011	Thereafter	Total	Fair Value	Average Interest Rate
Fixed rate	$ 0.1	$ —	$ —	$ —	$ —	$ 886.4	$ 886.5	$ 812.1	9.5%
Variable rate	14.2	14.9	12.8	12.4	11.2	1,061.2	1,126.7	1,146.8	7.4%
Total debt	$ 14.3	$ 14.9	$ 12.8	$ 12.4	$ 11.2	$ 1,947.6	$ 2,013.2	$ 1,958.9	

	Expected Maturity as of December 31, 2005								
	2006	2007	2008	2009	2010	Thereafter	Total	Fair Value	Average Interest Rate
Fixed rate	$ 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	

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 December 31, 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 December 31, 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 $30 million.

BUSINESS

Our Company

We are a leader in the motion picture exhibition industry with 396 theatres and 4,488 screens in the U.S. and Latin America. Our circuit is the third largest in the U.S. with 281 theatres and 3,523 screens in 37 states. We are the most geographically diverse circuit in Latin America with 115 theatres and 965 screens in 12 countries. During the year ended December 31, 2006, over 215 million patrons attended our theatres, when giving effect to the Century acquisition as of the beginning of the year. Our modern theatre circuit features stadium seating for approximately 73% of our screens.

We selectively build or acquire new theatres in markets where we can establish and maintain a strong market position. We believe our portfolio of modern theatres provides a preferred destination for moviegoers and contributes to our significant cash flows from operating activities. 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 is attributable in large part to our senior executives, who average approximately 32 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 three fiscal years among the three largest motion picture exhibitors in the U.S. Revenues, operating income, net income and Adjusted EBITDA for the year ended December 31, 2006 were $1,220.6 million, $127.4 million, $0.8 million, and $271.6 million, respectively, with operating income and Adjusted EBITDA margins of 10.4% and 22.3%, respectively. On a pro forma basis for the Century acquisition, revenues, operating income, net loss and Adjusted EBITDA for the year ended December 31, 2006 were $1,612.1 million, $175.6 million, $(3.5) million and $360.4 million, respectively, with pro forma operating income and Adjusted EBITDA margins of 10.9% and 22.4%, respectively. At December 31, 2006, we had cash and cash equivalents of $147.1 million and long-term debt, excluding capital leases, of $1,911.7 million. Approximately $1,126.7 million, or 59%, of our total long-term debt accrues interest at variable rates.

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 with and into Cinemark, Inc. with Cinemark, Inc. continuing as the surviving corporation. Simultaneously with the merger, MDP purchased shares of common stock of Cinemark, Inc. for approximately $518.2 million in cash. Management, including Lee Roy Mitchell, Chairman and then Chief Executive Officer, retained approximately 17% ownership interest in Cinemark, Inc. Concurrently with the closing of the MDP Merger, we entered into a number of financing transactions, which significantly increased our indebtedness. See “Management’s Discussion and Analysis of Financial Condition and Results of Operations — Liquidity and Capital Resources.”

In December 2004, MDP sold approximately 10% of its stock in Cinemark, Inc., to outside investors and in July 2005, Cinemark, Inc. issued additional shares to another outside investor.

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.

As of December 31, 2006, MDP owned approximately 66% of our capital stock, Lee Roy Mitchell and the Mitchell Special Trust collectively owned approximately 14%, Syufy Enterprises, LP owned approximately 11%, outside investors owned approximately 8%, and certain members of management owned the remaining 1%.

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. based on 77% of their screens featuring stadium seating. Prior to the Century acquisition, Century achieved strong performance with revenues of $516.0 million, operating income of $59.9 million, net income of $18.1 million and 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 year ended December 31, 2006, on a pro forma basis, we ranked either first or second by box office revenues in 28 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

In March 2005, Regal and AMC formed NCM and on July 15, 2005, we joined NCM, as one of the founding members. NCM operates the largest in-theatre network in the U.S. which delivers digital advertising content and digital non-film event content to the screens and lobbies of the three largest motion picture companies in the country. The digital projectors currently used to display advertising will not be used to exhibit digital film content or digital cinema. NCM's primary activities that impact us include 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 non-film 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.

On February 13, 2007, we received $389.0 million in connection with NCM, Inc.'s initial public offering and related transactions. As a result of these transactions, we will no longer receive a percentage of NCM's revenue but rather a monthly theatre access fee which we expect will reduce the contractual amounts required to be paid to us by NCM. In addition, we expect to receive mandatory quarterly distributions of excess cash from NCM. Prior to the initial public offering of NCM, Inc. common stock, our ownership interest in NCM was approximately 25% and subsequent to the completion of the offering we owned a 14% interest in NCM.

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 track record of long-term growth, with box office revenues growing at a CAGR of 5.7% over the last 35 years. Against this background of steady long-term growth, the exhibition industry has experienced periodic short-term increases and decreases in attendance and consequently box office revenues. In 2006 the motion picture exhibition industry experienced a marked improvement over 2005 with box office revenue increasing 5.5%, after a decrease of 5.7% in 2005 over the prior year. Strong revenue and attendance growth has been driven by a steadily growing number of movie releases, which, according to MPAA, reached an all-time high of 607 in 2006, up 11%. We believe this trend will continue into 2007 with a strong slate of franchise films, such as *Spider-Man 3, Shrek the Third, Pirates of the Caribbean: At World's End* 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 2006.

Year	U.S. Box Office Revenues ($ in millions)	Attendance (in millions)	Average Ticket Price
1996	$ 5,912	1,339	$ 4.42
1997	$ 6,366	1,388	$ 4.59
1998	$ 6,949	1,481	$ 4.69
1999	$ 7,448	1,465	$ 5.06
2000	$ 7,661	1,421	$ 5.39
2001	$ 8,413	1,487	$ 5.65
2002	$ 9,520	1,639	$ 5.80
2003	$ 9,489	1,574	$ 6.03
2004	$ 9,539	1,536	$ 6.21
2005	$ 8,991	1,403	$ 6.41
2006	$ 9,488	1,449	$ 6.55

International Markets

International growth has also been strong. According to MPAA, global box office revenues grew steadily at a CAGR of 8.2% from 2003 to 2006 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. According to PwC, Latin America's estimated box office revenue CAGR was 8.4% over the same period.

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" markets, 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 $16 billion, or 63% of 2006 total worldwide box office revenues according to MPAA with many international blockbusters such as *Pirates of the Caribbean: 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 at a CAGR of 5.5% and 6.3%, respectively, since 1995. Over the last three years, third party funding sources such as hedge funds have also provided over $5 billion of incremental capital to fund new film content production. 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 and industry cycles, attendance has grown at a 1.6% CAGR over the last 35 years to 1.45 billion patrons in 2006. According to Nielsen Entertainment/NRG, 80% of moviegoers stated their overall theatre experience in 2006 was time and money well spent. Additionally, younger moviegoers in the U.S. continue to be the most frequent patrons.

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 estimated average ticket price in the U.S. of $6.55 in 2006. Average prices in 2006 for other forms of out-of-home entertainment in the U.S., including sporting events and theme parks, range from approximately $22.40 to $61.60 per ticket according to MPAA. 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.

Strong Operating Performance and Discipline. We generated operating income, net income and Adjusted EBITDA margin of $127.4 million, $0.8 million and 22.3%, respectively, for the year ended December 31, 2006. Our strong operating performance is a result of our financial discipline, such as negotiating favorable theatre level economics and controlling theatre operating costs. We believe the Century acquisition will result in 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 year ended December 31, 2006, on a pro forma basis we ranked either first or second based on box office revenues in 28 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 61% faster than the average growth rate of the U.S. population over the next five years, as reported by BIA*fn* and U.S. census data.

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 115 theatres and 965 screens in 12 countries, generating revenues of $285.9 million for the year ended December 31, 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 79% of our first run auditoriums, the highest percentage among the three largest U.S. exhibitors, and 81% 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 382 additional screens over the next four years.

Strong Balance Sheet with Significant Cash Flow from Operating Activities. We generate significant cash flow from operating activities 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 45 properties with an aggregate value in excess of $350 million. For the year ended December 31, 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 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 32 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 strategic 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 three fiscal years among the three largest motion picture exhibitors in the U.S.

Our Strategy

We believe our operating philosophy and management team will enable us to continue to enhance our leading position in the motion picture exhibition industry. 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.

Continue to Focus on Operational Excellence. We will continue to focus on achieving operational excellence by controlling theatre operating costs. Our margins reflect our track record of operating efficiency.

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.

Recent Developments

National CineMedia

In March 2005, Regal and AMC formed NCM, and on July 15, 2005, we joined NCM, as one of the founding members. NCM operates the largest digital in-theatre network in the U.S. for cinema advertising and non-film events and combines the cinema advertising and non-film events businesses of the three largest motion picture exhibition companies in the country. On February 13, 2007, NCM, Inc., a newly formed entity that now serves as a member and the sole manager of NCM, completed an initial public offering of its common stock. In connection with the NCM, Inc. public offering, NCM, Inc. became a member and the sole manager of NCM, and we amended the operating agreement of NCM and the Exhibitor Services Agreement pursuant to which NCM provides advertising, promotion and event services to our theatres.

Prior to the initial public offering of NCM, Inc. common stock, our ownership interest in NCM was approximately 25% and subsequent to the completion of the offering we owned a 14% interest in NCM. Prior to pricing the initial public offering of NCM, Inc., NCM completed a recapitalization whereby (1) each issued and outstanding Class A unit of NCM was split into 44,291 Class A units, and (2) following such split of Class A Units, each issued and outstanding Class A Unit was recapitalized into one common unit and one preferred unit. As a result, we received 14,159,437 common units and 14,159,437 preferred units. All existing preferred units of NCM, or 55,850,951 preferred units, held by us, Regal, AMC were redeemed on a pro rata basis on February 13, 2007. NCM utilized the proceeds of its new $725.0 million term loan facility and a portion of the proceeds it received from NCM, Inc. from the initial public offering to redeem all of its outstanding preferred units. Each preferred unit was redeemed by NCM for $13.7782 and we received approximately $195.1 million as payment in full for redemption of all of our preferred units in NCM. Upon payment of such amount, each preferred unit was cancelled and the holders of the preferred units ceased to have any rights with respect to the preferred units.

NCM has also paid us a portion of the proceeds it received from NCM, Inc. in the initial public offering for agreeing to modify NCM's payment obligation under the prior exhibitor services agreement. The modification agreed to by us reflects a shift from circuit share expense under the prior exhibitor service agreement, which obligated NCM to pay us a percentage of revenue, to the monthly theatre access fee described below. The theatre access fee will significantly reduce the contractual amounts paid to us by NCM. In exchange for our agreement to so modify the agreement, NCM paid us approximately $174 million upon execution of the Exhibitor Services Agreement on February 13, 2007. Regal and AMC similarly altered their exhibitor services arrangements with NCM.

At the closing of the initial public offering, the underwriters exercised their over-allotment option to purchase additional shares of common stock of NCM, Inc. at the initial public offering price, less underwriting discounts and commissions. In connection with the over-allotment option exercise, Regal, AMC and us each sold to NCM, Inc. common units of NCM on a pro rata basis at the initial public offering price, less underwriting discounts and expenses. We sold 1,014,088 common units to NCM, Inc. for proceeds of $19.9 million, and upon completion of this sale of common units, we owned 13,145,349 common units of NCM, or a 14% interest. In the future, we expect to receive mandatory quarterly distributions of excess cash from NCM.

In consideration for NCM's exclusive access to our theatre attendees for on-screen advertising and use of off-screen locations within our theatres for the lobby entertainment network and lobby promotions, we will receive a monthly theatre access fee under the Exhibitor Services Agreement. The theatre access fee is composed of a fixed payment per patron, initially $0.07, and a fixed payment per digital screen, which may be adjusted for certain enumerated reasons. The payment per theatre patron will increase by 8% every five years, with the first such increase taking effect after 2011, and the payment per digital screen, initially $800 per digital screen per year, will increase annually by 5%, beginning after 2007. The theatre access fee paid in the aggregate to Regal, AMC and us will not be less than 12% of NCM's Aggregate Advertising Revenue (as defined in the Exhibitor Services Agreement), or it will be adjusted upward to reach this minimum payment. Additionally, with respect to any on-screen advertising time provided to our beverage concessionaire, we are required to purchase such time from NCM at a negotiated rate. The Exhibitor Services Agreement has, except with respect to certain limited services, a term of 30 years.

We intend to use the proceeds from the Exhibitor Services Agreement modification payment, the preferred unit redemption and the sale of common units to NCM, Inc. in connection with the exercise of the over-allotment option and cash on hand to purchase our 9% senior subordinated notes due 2013 issued by Cinemark USA, Inc. pursuant to an offer to purchase and consent solicitation.

Digital Cinema Implementation Partners LLC

On February 12, 2007, we, along with AMC and Regal, entered into a joint venture known as Digital Cinema Implementation Partners LLC to explore the possibility of implementing digital cinema in our theatres and to establish agreements with major motion picture studios for the implementation and financing of digital cinema. In addition, DCIP has entered into a digital cinema services agreement with NCM for purposes of assisting DCIP in the development of digital cinema systems. Future digital cinema developments will be managed by DCIP, subject to certain approvals by us, AMC and Regal.

Theatre Operations

As of December 31, 2006, we operated 396 theatres and 4,488 screens in 37 states, one Canadian province and 12 Latin American countries. 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 December 31, 2006.

United States Theatres

State	Total Theatres	Total Screens
Texas	75	969
California	64	729
Ohio	19	207
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	280	3,511
Canada	1	12
Total	281	3,523

International Theatres

Country	Total Theatres	Total Screens
Brazil	36	311
Mexico	30	293
Chile	12	91
Central America(1)	12	80
Argentina	9	77
Colombia	8	50
Ecuador	4	26
Peru	4	37
Total	115	965

(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 two 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.

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 965 screens we operate in international markets approximately 86% 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.

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 31% of total pro forma revenues for the year ended December 31, 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. 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 ancillary revenue generating opportunities, which include the following: 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 all 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 965 screens we operate outside of the U.S., approximately 86% 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 have 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:

	Period from January 1, 2004 to April 1, 2004 (Predecessor)	Period from April 2, 2004 to December 31, 2004 (Successor)	Year Ended December 31, 2005 (Successor)	Year Ended December 31, 2006 (Successor)
Revenues(1)				
U.S. and Canada	$ 175,563	$ 607,831	$ 757,902	$ 936,684
Mexico	17,801	58,347	74,919	71,589
Brazil	21,775	69,097	112,182	128,555
Other foreign countries	18,889	56,311	77,213	85,710
Eliminations	(403)	(969)	(1,619)	(1,944)
Total	$ 233,625	$ 790,617	$ 1,020,597	$ 1,220,594

	December 31, 2005 (Successor)	December 31, 2006 (Successor)
Theatre properties and equipment, net		
U.S. and Canada	$ 646,841	$ 1,169,456
Mexico	55,366	51,272
Brazil	52,371	55,749
Other foreign countries	48,691	48,095
Total	$ 803,269	$ 1,324,572

(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.

Properties

United States

As of December 31, 2006, we operated 236 theatres, with 2,882 screens, pursuant to leases and own the land and building for 45 theatres, with 641 screens, in the U.S. During the year ended December 31, 2006, we opened 14 new theatres with 179 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 December 31, 2006, approximately 9% of our theatre leases in the U.S., covering 21 theatres with 158 screens, have remaining terms, including optional renewal periods, of less than five years and approximately 72% of our theatre leases in the U.S., covering 190 theatres with 2,543 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 December 31, 2006, internationally, we operated 115 theatres, with 965 screens, all of which are leased pursuant to ground or building leases. During the year ended December 31, 2006, we opened seven new theatres with 53 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 29% of our international theatre leases, covering 33 theatres and 279 screens, have remaining terms, including optional renewal periods, of between six and 15 years and approximately 70% of our international theatre leases, covering 81 theatres and 678 screens, have remaining terms, including optional renewal periods, of more than 15 years.

See note 19 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	70	Chairman of the Board; Director
Alan W. Stock	46	Chief Executive Officer
Timothy Warner	62	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	49	Senior Vice President-Operations
Michael Cavalier	40	Senior Vice President-General Counsel; Secretary
Walter Hebert, III	61	Senior Vice President-Purchasing
Tom Owens	50	Senior Vice President-Real Estate
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	41	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 until March 1996 and was President from our inception in 1987 until March 1993. From 1985 until 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 over 50 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 until April 2004. Mr. Stock was Senior Vice President from June 1989 until March 1993. Mr. Stock was General Manager from our inception in 1987 until 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 August 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 June 1989 and Assistant Secretary since December 2003. Mrs. Mitchell also served as Vice Chairman of the board from March 1996 until 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 until April 2004. Mr. Copple was acting Chief Financial Officer from March 2000 until August 2000. From August 1997 until March 2000, Mr. Copple was President of PBA Development, Inc., an investment management and venture capital company controlled by Mr. Mitchell. From June 1993 until July 1997, Mr. Copple was Director of Finance of our company. Prior to joining our company, Mr. Copple was a Senior Manager with Deloitte & Touche, LLP where he was employed from 1982 until 1993.

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

Michael Cavalier has served as Senior Vice President-General Counsel since January 2006, as Vice President-General Counsel since August 1999, as Assistant Secretary from May 2001 until December 2003 and as Secretary since December 2003. From July 1997 until July 1999, Mr. Cavalier was General Counsel of our company and from July 1993 until July 1997 was Associate General Counsel.

Walter Hebert, III has served as Senior Vice President — Purchasing since January 2007 and as Vice President — Purchasing and Special Projects 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 until 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 until 1998, Mr. Owens served as President of Silver Cinemas International, Inc., a motion picture exhibitor. From 1989 until 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 until September 2000 and was a film buyer from September 1994 until September 1997.

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

Terrell Falk has served as Vice President-Marketing and Communications since April 2001. From March 1998 until May 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 July 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 1998, 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. Mr. Chereskin served as the only member of our compensation committee during the last completed fiscal year.

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. In 2006, the minimum Adjusted EBITDA target was met and plan participants qualified for a bonus to be paid in 2007.

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 November 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 ($)	Option Awards ($)(1)	Non-Equity Incentive Plan Compensation ($)(2)	All Other Compensation ($)	Total ($)
Lee Roy Mitchell Chairman of the Board(3)	2006	$ 763,958	$ —	$ 385,773	$ 24,701(4)	$ 1,174,432
Alan W. Stock Chief Executive Officer(3)	2006	452,097	415,761	227,698	634,180(5)	1,729,736
Timothy Warner President and Chief Operating Officer(3)	2006	366,616	415,761	184,645	14,772(6)	981,794
Robert Copple Executive Vice President and Chief Financial Officer	2006	330,118	415,761	166,263	16,631(7)	928,773
Robert Carmony Senior Vice President — Operations	2006	318,247	270,244	160,284	15,578(8)	764,353

(1) 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 10 to our consolidated financial statements for assumptions used in determining compensation expense on options granted in accordance with SFAS 123R.

(2) Bonuses were earned in 2006 and paid in March 2007.

(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.

Grants of Plan-Based Awards

There were no stock option grants or awards 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 November 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	$ 385,773	$ 4,864	—	$ 648	$ 2,253	$ 1,157,496
Alan W. Stock	452,097	227,698	11,549	—	1,080	2,713	695,137
Timothy Warner	366,616	184,645	9,753	—	1,092	2,130	564,236
Robert Copple	330,118	166,263	11,549	890	1,071	3,120	513,011
Robert Carmony	318,247	160,284	4,864	—	1,080	2,948	487,423

(1) Bonuses were earned in 2006 and paid in March 2007.

(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 from July 26, 2004 through December 31, 2006.

(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)(9)		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 $0.14 million, $0.15 million and $0.15 million of facility lease expense payable to Plitt Plaza during the year ended December 31, 2004, 2005 and 2006.

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 $0.19 million, $0.20 million and $0.19 million of management fee revenue and received $0.56 million, $0.68 million and $0.60 million in distributions during the years ended December 31, 2004, 2005, and 2006, respectively. 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 $0.6 million to Mr. Stock during the years ended December 31, 2004, 2005 and 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 intend to exercise an 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. As of the date of this prospectus, the price is expected to be approximately $6.9 million. 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. 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 AND ESTATE 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," individuals who are U.S. expatriates, and partnerships or other pass-through entities, 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 and estate 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 and estate 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, corporation, trust or estate other than (1) an individual 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, any state thereof or the District of Columbia, (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 with respect to which 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, if required by an applicable income tax treaty, 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 (a) to complete IRS Form W-8BEN (or successor form) and certify under penalties of perjury that such holder is a Non-U.S. Holder and is eligible for treaty benefits or (b) if our common stock is held through certain foreign intermediaries, to satisfy certain relevant certification requirements of applicable Treasury regulations. Special certification and other requirements apply to certain Non-U.S. Holders that are pass-through entities rather than corporations or 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, if required by an applicable income tax treaty, 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) we are or have 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 for dividends paid to such holder unless applicable certification requirements are met, or such holder establishes another exemption.

Information reporting and, depending on the circumstances, backup withholding will apply to the proceeds of a sale of our common stock paid within the United States or through certain U.S. related financial intermediaries, 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 or reason to know that the beneficial owner is a U.S. person), or the beneficial owner 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. The selling stockholders may be deemed "underwriters" within the meaning of the Securities Act and may be subject to certain statutory liabilities of the Securities Act.

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. Lehman Brothers Inc. is acting as dealer manager and solicitation agent in connection with Cinemark USA, Inc.'s offer to purchase and related consent solicitation of its 9% senior subordinated notes. 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 repurchase all or a part of our 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 and related financial statement schedule of Cinemark Holdings, Inc. as of December 31, 2004, 2005 and 2006, and for the period from January 1, 2004 to April 1, 2004 (Predecessor), the period from April 2, 2004 to December 31, 2004 (Successor) and the years ended December 31, 2005 (Successor) and 2006 (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, (which report expresses an unqualified opinion and includes an explanatory paragraph relating to a change in the method of accounting for share-based compensation required under SFAS No. 123(R), "*Share Based Payment*"), 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, independent certified public accountants, as stated in their report appearing herein, and are 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, 2006 and 2005, and the related consolidated statements of operations, stockholders' equity, and cash flows for the years ended December 31, 2006 (Successor) and 2005 (Successor), the period from April 2 through December 31, 2004 (Successor), and the period from January 1 through April 1, 2004 (Predecessor). Our audits include the financial statement schedule listed in the index at F-49. These financial statements and financial statement schedule are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements and financial statement schedule 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, 2006 and 2005, and the results of its operations and its cash flows for the years ended December 31, 2006 (Successor) and 2005 (Successor), the period from April 2 through December 31, 2004 (Successor), and the period from January 1 through April 1, 2004 (Predecessor) in conformity with accounting principles generally accepted in the United States of America. Also, in our opinion, such financial statement schedule, when considered in relation to the basic consolidated financial statements taken as a whole, presents fairly, in all material respects, the information set forth therein.

As discussed in Note 1 to the consolidated financial statements, in 2006 the Company changed its method of accounting for share based compensation to adopt Statement of Financial Accounting Standard No. 123(R), *"Share Based Payment."*

/s/ Deloitte & Touche LLP

Dallas, Texas
March 15, 2007

CINEMARK HOLDINGS, INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

	December 31, 2005	December 31, 2006
	(In thousands, except share data)	
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$ 182,199	$ 147,099
Inventories	4,546	6,058
Accounts receivable	15,405	31,165
Income tax receivable	—	8,946
Current deferred tax asset	—	4,661
Prepaid expenses and other	4,538	8,424
Total current assets	206,688	206,353
THEATRE PROPERTIES AND EQUIPMENT		
Land	89,919	104,578
Buildings	277,774	423,273
Property under capital lease	—	143,776
Theatre furniture and equipment	370,322	533,775
Leasehold interests and improvements	354,347	513,191
Theatres under construction	14,538	18,113
Total	1,106,900	1,736,706
Less accumulated depreciation and amortization	303,631	412,134
Theatre properties and equipment, net	803,269	1,324,572
OTHER ASSETS		
Goodwill	551,537	1,205,423
Intangible assets — net	246,181	360,752
Investments in and advances to affiliates	11,193	11,390
Deferred charges and other assets — net	45,984	63,092
Total other assets	854,895	1,640,657
TOTAL ASSETS	$ 1,864,852	$ 3,171,582
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Current portion of long-term debt	$ 6,871	$ 14,259
Current portion of capital lease obligations	—	3,649
Accounts payable	47,234	47,272
Income tax payable	13,144	—
Accrued film rentals	21,441	47,862
Accrued interest	15,333	23,706
Accrued payroll	11,226	21,686
Accrued property taxes	16,345	22,165
Accrued other current liabilities	28,473	50,223
Total current liabilities	160,067	230,822
LONG-TERM LIABILITIES		
Long-term debt, less current portion	1,048,224	1,897,394
Capital lease obligations, less current portion	—	112,178
Deferred income taxes	102,152	198,320
Deferred lease expenses	9,569	14,286
Deferred revenues and other long-term liabilities	9,069	12,672
Total long-term liabilities	1,169,014	2,234,850
COMMITMENTS AND CONTINGENCIES (see Note 19)	—	—
MINORITY INTERESTS IN SUBSIDIARIES	16,422	16,613
STOCKHOLDERS' EQUITY		
Class A common stock, $0.001 par value: 40,000,000 shares authorized, 27,896,316 shares issued and outstanding at December 31, 2005 and 31,286,338 shares issued and outstanding at December 31, 2006	28	31
Additional paid-in-capital	532,599	685,495
Retained earnings (deficit)	(8,533)	(7,692)
Accumulated other comprehensive income (loss)	(4,745)	11,463
Total stockholders' equity	519,349	689,297
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 1,864,852	$ 3,171,582

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

CINEMARK HOLDINGS, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OPERATIONS

	Period from January 1, 2004 to April 1, 2004 (Predecessor)	Period from April 2, 2004 to December 31, 2004 (Successor)	Year Ended December 31, 2005 (Successor)	Year Ended December 31, 2006 (Successor)
		(In thousands)		
REVENUES				
Admissions	$ 149,134	$ 497,865	$ 641,240	$ 760,275
Concession	72,480	249,141	320,072	375,798
Other	12,011	43,611	59,285	84,521
Total revenues	233,625	790,617	1,020,597	1,220,594
COST OF OPERATIONS				
Film rentals and advertising	78,678	270,138	347,727	405,987
Concession supplies	11,989	41,772	52,507	59,020
Salaries and wages	23,989	79,095	101,431	118,616
Facility lease expense	30,915	97,829	138,477	161,374
Utilities and other	26,282	86,684	123,831	144,808
General and administrative expenses	11,869	39,803	50,884	67,768
Stock option compensation and change of control expenses related to the MDP merger	31,995	—	—	—
Depreciation and amortization	16,865	58,266	81,952	95,821
Amortization of favorable leases	—	3,087	4,174	3,649
Impairment of long-lived assets	1,000	36,721	51,677	28,537
(Gain) loss on sale of assets and other	(513)	3,602	4,436	7,645
Total cost of operations	233,069	716,997	957,096	1,093,225
OPERATING INCOME	556	73,620	63,501	127,369
OTHER INCOME (EXPENSE)				
Interest expense	(11,972)	(56,231)	(81,342)	(105,986)
Amortization of debt issue costs	(590)	(1,918)	(2,740)	(3,342)
Interest income	494	1,476	6,600	7,040
Foreign currency exchange gain (loss)	170	(436)	(1,276)	(258)
Loss on early retirement of debt	—	(3,309)	(46)	(8,283)
Dividend income	—	—	—	101
Equity in income (loss) of affiliates	37	136	227	(1,646)
Minority interests in income of subsidiaries	(1,466)	(2,887)	(924)	(1,469)
Total other expenses	(13,327)	(63,169)	(79,501)	(113,843)
INCOME (LOSS) FROM CONTINUING OPERATIONS BEFORE INCOME TAXES	(12,771)	10,451	(16,000)	13,526
Income taxes	(3,703)	18,293	9,408	12,685
INCOME (LOSS) FROM CONTINUING OPERATIONS AFTER INCOME TAXES	(9,068)	(7,842)	(25,408)	841
Income (loss) from discontinued operations, net of taxes (See Note 7)	(1,565)	4,155	—	—
NET INCOME (LOSS)	$ (10,633)	$ (3,687)	$ (25,408)	$ 841
EARNINGS PER SHARE — Basic/Diluted				
Income (loss) from continuing operations after income taxes	$ (0.22)	$ (0.28)	$ (0.91)	$ 0.03
Income (loss) from discontinued operations	(0.04)	0.15	—	—
Net income (loss)	$ (0.26)	$ (0.13)	$ (0.91)	$ 0.03

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)
PERIOD FROM JANUARY 1, 2004 TO APRIL 1, 2004 (PREDECESSOR), PERIOD FROM APRIL 2, 2004 TO DECEMBER 31, 2004 (SUCCESSOR), AND YEARS ENDED DECEMBER 31, 2005 (SUCCESSOR) AND 2006 (SUCCESSOR)

	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 Income (Loss)	Total	Comprehensive Income (Loss)
						(In thousands)				
Predecessor balance at December 31, 2003	19,664	$ 20	20,949	$ 21	$ 40,369	$ (1,740)	$ 124,821	$ (86,545)	$ 76,946	
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 related to Madison Merger						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)
Net income							841		841	841
Issuance of stock — Century Acquisition	3,388	3			149,997				150,000	
Exercise of stock options	2	—			35				35	
Stock option compensation expense					2,864				2,864	
Foreign currency translation adjustment								16,208	16,208	16,208
Successor balance at December 31, 2006	31,286	$ 31	—	$ —	$ 685,495	$ —	$ (7,692)	$ 11,463	$ 689,297	$ 17,049

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

CINEMARK HOLDINGS, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Period from January 1, 2004 to April 1, 2004 (Predecessor)	Period from April 2, 2004 to December 31, 2004 (Successor)	Year Ended December 31, 2005 (Successor)	Year Ended December 31, 2006 (Successor)
		(In thousands)		
OPERATING ACTIVITIES				
Net income (loss)	$ (10,633)	$ (3,687)	$ (25,408)	$ 841
Adjustments to reconcile net income (loss) to cash provided by operating activities:				
Depreciation	16,705	52,035	71,870	90,081
Amortization of intangible and other assets	160	9,318	14,256	9,389
Amortization of long-term prepaid rents	497	1,216	1,258	1,013
Amortization of debt issue costs	590	1,918	2,740	3,342
Amortization of deferred revenues, deferred lease incentives and other	(146)	(746)	(660)	(424)
Amortization of debt premium	(366)	(2,437)	(3,105)	(3,096)
Impairment of long-lived assets	1,000	36,721	51,677	28,537
Stock option compensation expense	145	—	—	2,864
(Gain) loss on sale of assets and other	(513)	3,602	4,436	7,645
Write-off unamortized debt issue costs and debt premium related to the early retirement of debt	—	(1,727)	46	5,811
Write-off unearned compensation related to the MDP merger	—	1,595	—	—
Accretion of interest on senior discount notes	96	26,635	38,549	40,425
Deferred lease expenses	63	2,120	3,137	4,717
Deferred income tax expenses	(9,531)	16,924	(12,332)	(7,011)
Equity in (income) loss of affiliates	(37)	(136)	(227)	1,646
Minority interests in income of subsidiaries	1,466	2,887	924	1,469
Other	1,869	(2,791)	202	—
Changes in assets and liabilities:				
Inventories	219	(133)	(309)	787
Accounts receivable	1,769	1,931	(4,102)	(9,884)
Prepaid expenses and other	(780)	2,367	(649)	1,678
Other assets	(3,255)	(4,193)	(12,373)	(2,370)
Advances with affiliates	(454)	508	(121)	(143)
Accounts payable and accrued liabilities	11,254	(19,254)	14,082	82
Interest paid on repurchased senior discount notes	—	—	—	(5,381)
Other long-term liabilities	100	549	1,198	5,734
Income tax receivable/payable	(118)	(12,236)	20,181	(22,090)
Net cash provided by operating activities	10,100	112,986	165,270	155,662
INVESTING ACTIVITIES				
Additions to theatre properties and equipment	(17,850)	(63,158)	(75,605)	(107,081)
Proceeds from sale of theatre properties and equipment	262	12,683	1,317	6,446
Acquisition of Century Theatres, Inc., net of cash acquired	—	—	—	(531,383)
Purchase of shares in National CineMedia	—	—	(7,329)	—
Purchase of minority partner shares in Cinemark Brasil	—	(44,958)	—	—
Purchase of minority partner shares in Cinemark Mexico	—	(5,379)	—	—
Other	1,378	75	—	271
Net cash used for investing activities	(16,210)	(100,737)	(81,617)	(631,747)
FINANCING ACTIVITIES				
Issuance of common stock	—	—	5,000	35
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)	—	—
Issuance of senior discount notes	360,000	—	—	—
Repurchase of senior discount notes	—	—	(1,302)	(24,950)
Repurchase of senior subordinated notes	—	(122,750)	—	(10,000)
Proceeds from new senior secured credit facility	—	—	—	1,120,000
Proceeds from other long-term debt	692	290,754	660	2,330
Payoff of long-term debt assumed in Century acquisition	—	—	—	(360,000)
Payoff of former senior secured credit facility	—	(163,764)	—	(253,500)
Repayments of other long-term debt	(2,267)	(34,039)	(6,671)	(8,895)
Payments on capital leases	—	—	—	(839)
Debt issue costs	(10,491)	(13,863)	(239)	(22,926)
Other	(951)	(305)	(1,198)	(1,278)
Net cash provided by (used for) financing activities	346,983	(361,426)	(3,750)	439,977
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	(45)	1,275	2,048	1,008
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	340,828	(347,902)	81,951	(35,100)
CASH AND CASH EQUIVALENTS:				
Beginning of period	107,322	448,150	100,248	182,199
End of period	$ 448,150	$ 100,248	$ 182,199	$ 147,099
SUPPLEMENTAL INFORMATION (see Note 17)				

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, 2006.

Basis of Presentation — 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 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, Chairman and then Chief Executive Officer, and the Mitchell Special Trust collectively retained approximately 16% ownership of 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.

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. 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. ("Cinemark Share Exchange"). The Cinemark Share Exchange was completed on October 5, 2006 and facilitated the acquisition of Century Theatres, Inc. ("Century Acquisition") on that date. 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.

As of December 31, 2006, subsequent to the Cinemark Share Exchange and the Century Acquisition, MDP owned approximately 66% of the Company's capital stock, outside investors owned approximately 8%, Lee Roy Mitchell and the Mitchell Special Trust collectively owned approximately 14%, Syufy Enterprises LP owned approximately 11% and certain members of management owned the remaining 1%.

The accompanying consolidated financial statements 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 accounting basis of its stockholders for all periods presented. This accounting basis differs from that previously presented on Cinemark, Inc.'s historical consolidated financial statements due to the fact that MDP's basis which resulted from the MDP Merger was not pushed-down to Cinemark, Inc. as the MDP Merger was accounted for as a leveraged recapitalization at the Cinemark, Inc. entity level. Accordingly, Cinemark Holdings, Inc.'s financial statements for periods preceding the MDP Merger are presented as Predecessor and for the periods subsequent to the MDP Merger are presented 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.

CINEMARK HOLDINGS, INC. AND SUBSIDIARIES

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

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.

Theatre Properties and Equipment — Theatre properties and equipment are stated at cost less accumulated depreciation and amortization. Additions to theatre properties and equipment include the capitalization of $73, $334, $74, and $86 of interest incurred during the development and construction of theatres in the period from January 1, 2004 to April 1, 2004, the period from April 2, 2004 to December 31, 2004, and the years ended December 31, 2005, and 2006, respectively. Depreciation is provided using the straight-line method over the estimated useful lives of the assets as follows:

Category	Useful Life
Buildings on owned land	40 years
Buildings on leased land	Lesser of lease term or useful life
Buildings under capital lease	Lesser of lease term or useful life
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 group (theatre) with its estimated fair value, which is determined based on a multiple of undiscounted cash flows. The multiple was eight times for the evaluation performed as of December 31, 2006 and seven times as of December 31, 2005. When estimated fair value is determined to be lower than the carrying value of the asset group (theatre), the asset group (theatre) is written down to its estimated fair value. Significant judgment 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.

Goodwill and Other Intangible Assets — Goodwill is the excess of cost over fair value of theatre businesses acquired. Goodwill and tradename 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 is performed to measure the potential goodwill impairment. Fair value is estimated based on a multiple of cash flows. The multiple was eight times for its annual goodwill impairment evaluation as of December 31, 2006 and seven times as of December 31, 2005. Significant judgment 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 9 and 10.

(In thousands, except share and per share data)

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. The remaining terms of the underlying agreements range from 8 to 13 years.
Vendor contracts	Straight-line method over the terms of the underlying contracts. The remaining terms of the underlying contracts range from 1 to 16 years.
Net favorable leases	Based on the pattern in which the economic benefits are realized over the terms of the lease agreements. The remaining terms of the lease agreements range from 1 to 30 years.
Other intangible assets	Straight-line method over the terms of the underlying agreements. The remaining term of the underlying agreement is 12 years.

Deferred Charges and Other Assets — Deferred charges and other assets consist of debt issue costs, long-term prepaid rent, 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. Long-term prepaid rents represent advance rental payments on operating 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.

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.

Deferred Revenues — Advances collected on long-term screen advertising, concession and other contracts are recorded as deferred revenues. In accordance with the terms of the agreements, the advances collected on such contracts are recognized during the period in which the advances are 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. 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. 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. The Company recognized unredeemed gift cards and other advance sale-type certificates as revenues in the amount of $233, $3,285, $3,374 and $4,421 during the period from January 1, 2004 to April 1, 2004, the period from April 2, 2004 to December 31, 2004 and the years ended December 31, 2005 and 2006, respectively.

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 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 period from January 1, 2004 to April 1, 2004, the period from April 2, 2004 to December 31, 2004, and the years ended December 31, 2005 and 2006 were $3,136, $11,180, $15,927, and $15,726, respectively.

Stock Option Accounting — Subsequent to the MDP Merger, the Company established a long term incentive plan (see Note 16). The weighted average fair value per share of stock options granted by the Company during the period from April 2, 2004 to 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.

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, 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 forfeited, 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 $2,864 and a tax benefit of approximately $1,003 during the year ended December 31, 2006. As of December 31, 2006, the unrecognized compensation expense related to these unvested options was $6,444 and the weighted average period over which this remaining compensation expense will be recognized is approximately 2.25 years.

The Company applied Accounting Principles Board ("APB") Opinion No. 25 and related interpretations in accounting for its 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 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 loss as reported would have been adjusted to the pro-forma amounts indicated below:

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

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

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.

Segments — As of December 31, 2006, we managed our business under two reportable operating segments, U.S. markets and international markets, in accordance with SFAS No. 131, *"Disclosures About Segments of an Enterprise and Related Information"*. See Note 20.

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.

Acquisitions — The Company accounts for acquisitions under the purchase method of accounting in accordance with SFAS No. 141, *"Business Combinations"*. The purchase method requires that the Company estimate the fair value of the assets acquired and liabilities assumed and allocate consideration paid accordingly. For significant acquisitions, the Company obtains independent third party valuation studies for certain of the assets acquired and liabilities assumed to assist the Company in determining fair value. The estimation of the fair values of the assets acquired and liabilities assumed involves a number of estimates and assumptions that could differ materially from the actual amounts recorded.

Comprehensive Income (Loss) — Total comprehensive income (loss) for the years ended December 31, 2006 and 2005, the period from April 2, 2004 to December 31, 2004 and the period from January 1, 2004 to April 1, 2004 was $17,049, $(18,769), $(359) and $(10,627), respectively. Total comprehensive income (loss) consists of net income (loss) and foreign currency translation adjustments.

2. NEW ACCOUNTING PRONOUNCEMENTS

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 its deferred tax assets and liabilities.

In June 2006, the FASB issued FASB Interpretation No. 48, *"Accounting for Uncertainty in Income Taxes — an interpretation of FASB No. 109"* (FIN 48). FIN 48 clarifies the accounting and reporting for income taxes recognized in accordance with SFAS No. 109, *"Accounting for Income Taxes"*, recognition, measurement, presentation and disclosure of uncertain tax positions taken or expected to be taken in income tax returns. The evaluation of a tax position in accordance with this Interpretation is a two-step process. The first step is recognition: The enterprise determines whether it is more likely than not that a tax position will be sustained upon examination, including resolution of any related appeals or litigation processes, based on the technical merits of the position. In evaluating whether a tax position has met the more-likely-than-not recognition threshold, the enterprise should presume that the position will be examined by the appropriate taxing authority that would have full knowledge of all relevant information. The second step is measurement: A tax position that meets the more-likely-than-not recognition threshold is measured to determine the amount of benefit to recognize in the financial statements. The tax position is measured at the largest amount of benefit that is greater than 50 percent likely of being realized upon ultimate settlement. Differences between tax positions taken in a tax return and amounts recognized in the financial statements will generally result in (1) an increase in a liability for income taxes payable or (2) a reduction of an income tax refund receivable or a reduction in a deferred tax asset or an increase in a deferred tax liability or both (1) and (2). The Company will adopt FIN 48 in the first quarter of 2007. The Company is currently evaluating the impact the Interpretation may have on its consolidated financial statements.

In September 2006, the FASB issued SFAS No. 157, *"Fair Value Measurements."* Among other requirements, 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 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 adoption of SAB No. 108 did not have a significant impact on the Company's consolidated financial statements.

In February 2007, the FASB issued SFAS No. 159, *"The Fair Value Option for Financial Assets and Financial Liabilities".* SFAS No. 159 provides companies with an option to report selected financial assets and liabilities at fair value and establishes presentation and disclosure requirements designed to facilitate comparisons between companies that choose different measurement attributes for similar types of assets and liabilities. SFAS No. 159 is effective for fiscal years beginning after November 15, 2007. The Company is in the process of evaluating the impact of the adoption of this statement on its consolidated financial statements.

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

The MDP Merger was completed on April 2, 2004, at which time a newly formed subsidiary of an affiliate 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%. In connection with the acquisition of Century, on October 5, 2006, the Company completed the Cinemark Share Exchange. The Cinemark Share Exchange represents a transaction between entities under common control in which the accounting basis of its stockholders is different than the accounting basis as reflected in the historical Cinemark, Inc. financial statements as the MDP Merger was accounted for as a leveraged recapitalization at the Cinemark, Inc. entity level. In accordance with generally accepted accounting principles, the Company recast its consolidated financial statements to reflect the stepped-up accounting basis of its stockholders. The higher accounting basis resulted principally from the purchase accounting that was applied to the MDP Merger as of April 2, 2004. The recasted periods following the MDP Merger reflect the increased expense associated with the depreciation and amortization of the higher asset base as well as any charges taken as a result of performing the impairment evaluations in accordance with the Company's accounting policies. The following table represents the allocation of MDP purchase price to the proportionate share of assets acquired and liabilities assumed:

(In thousands, except share and per share data)

Current assets	$ 79,967
Fixed assets	650,653
Goodwill	620,540
Tradename	173,882
Net favorable leases	31,047
Vendor contracts	52,012
Internally developed software	1,626
Other long term assets	42,384
Current liabilities	(90,940)
Other long term liabilities	(120,232)
Long-term debt	(922,694)
Total	$ 518,245

The tradename, net favorable leases and vendor contracts are presented as intangible assets on the Company's consolidated balance sheets as of December 31, 2006 and 2005. Goodwill represents the excess of the cost of the MDP Merger over the net of the amounts assigned to assets acquired, including identifiable intangible assets, and liabilities assumed. 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. The Company may redeem all or part of the $9^{3}/_{4}$% senior discount notes on or after March 15, 2009.

Upon consummation of the MDP Merger, 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 for the period from January 1, 2004 to April 1, 2004, 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 $15,750, 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 5.

Refinancing of Certain Long-Term Debt Associated with MDP Merger — 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, 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 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.

(In thousands, except share and per share data)

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.

See Note 12 for further discussion of long-term debt.

4. ACQUISITION OF CENTURY THEATRES, INC. AND RELATED REFINANCING OF CERTAIN LONG-TERM DEBT

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 $681,225 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. The Company also incurred approximately $7,448 in transaction costs.

The transaction was accounted for under the purchase method of accounting in accordance with SFAS No. 141, *"Business Combinations"*. As of December 31, 2006, the Company has not finalized its valuations of the fixed and intangible assets. The following table represents the preliminary allocation of purchase price to the assets acquired and liabilities assumed:

Current assets(1)	$ 32,635
Fixed assets	519,053
Goodwill	658,546
Tradename	136,000
Other long term assets	4,956
Net unfavorable leases	(9,360)
Current liabilities	(74,488)
Other long term liabilities	(218,669)
Total	$ 1,048,673

(1) Includes $7,290 of cash.

The tradename and net unfavorable leases are presented as intangible assets on the Company's consolidated balance sheet as of December 31, 2006. Goodwill represents the excess of the cost of acquiring Century over the amounts assigned to assets acquired, including identifiable intangible assets, and liabilities assumed. The goodwill recorded as a result of the Century Acquisition is not deductible for tax purposes.

On October 5, 2006, the Company entered into a new senior secured credit facility which provides for a $1,120,000 term loan and a $150,000 revolving credit line. The net proceeds of the new term loan were used to fund a portion of the $531,225 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. See Note 12 for further discussion of long-term debt.

CINEMARK HOLDINGS, INC. AND SUBSIDIARIES

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

The acquisition is reflected in the Company's consolidated statement of operations for the period subsequent to the transaction date and is reported in the Company's U.S. segment. The pro forma financial information presented below sets forth the Company's pro forma consolidated statements of operations for the years ended December 31, 2005 and 2006 to give effect to the Century Acquisition as if the acquisition had occurred at the beginning of each period. This information is presented for comparative purposes only and does not purport to represent what the Company's results of operations would have been had the transaction occurred on the date indicated or to project its results of operations for any future period.

	Pro Forma Year Ended December 31, 2005	Pro Forma Year Ended December 31, 2006
	(unaudited)	
Revenues		
Admissions	$ 982,699	$ 1,029,881
Concession	457,190	487,416
Other	74,559	94,807
Total revenues	$ 1,514,448	$ 1,612,104
Cost of operations		
Film rentals and advertising	526,002	546,144
Concession supplies	72,631	75,359
Salaries and wages	154,072	160,689
Facility lease expense	194,394	206,950
Utilities and other	169,507	184,699
General and administrative expenses(1)	77,338	84,619
Depreciation and amortization(2)(3)	140,994	141,416
Asset impairment loss	51,677	28,943
Loss on sale of assets and other	9,393	7,706
Total cost of operations	1,396,008	1,436,525
Operating income	118,440	175,579
Interest expense(4)	(162,131)	(168,051)
Other income (expense)	6,105	(4,556)
Income (loss) before taxes	(37,586)	2,972
Income taxes(5)	2,176	6,520
Net loss	$ (39,762)	$ (3,548)
Basic and diluted loss per share	$ (1.28)	$ (0.11)

(1) Gives effect to the elimination of change of control payments of $15,672 to Century's management for the year ended December 31, 2006.

(2) Reflects increase in depreciation related to the fair value of the theatre properties and equipment pursuant to purchase accounting for the Century Acquisition.

(In thousands, except share and per share data)

(3) Reflects the amortization associated with intangible assets recorded pursuant to purchase accounting for the Century Acquisition.

(4) Reflects interest expense and amortization of debt issue costs resulting from the changes to the Company's debt structure pursuant to the Century Acquisition.

(5) Reflects the tax effect of the aforementioned proforma adjustments at the Company's statutory income tax rate of 39%.

5. OTHER ACQUISITIONS

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 sheets as of December 31, 2006 and 2005. 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.

CINEMARK HOLDINGS, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)
(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 sheets as of December 31, 2006 and 2005. The goodwill recorded as a result of the acquisition is not deductible for tax purposes.

6. 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 Inc. ("Regal"), AMC Entertainment Inc. ("AMC") 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 consolidated balance sheets as of December 31, 2006 and 2005. During the year ended December 31, 2006, the Company received a $271 return of its capital investment from National CineMedia and recorded an equity loss of $1,705. As of December 31, 2006, the Company's investment in National CineMedia was approximately $5,353. The Company recognized $72 and $29,388 of other revenue from National CineMedia during the years ended December 31, 2005 and 2006, respectively. The Company had a receivable due from National CineMedia of $811 and $13,386 as of December 31, 2005 and 2006, respectively, related to screen advertising and other ancillary revenue.

Under the terms of its agreement with National CineMedia, the Company was required to install 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 a result of the Century Acquisition, the Company committed to install digital distribution technology in a majority of the theatres acquired. The Company estimates the cost of the digital projectors and related equipment necessary to show various digital media in the Century theatres will be approximately $6,600. As of December 31, 2006, the Company had spent approximately $3,800 of this amount and expects to spend the remaining $2,800 during the first quarter of 2007.

On October 12, 2006, National CineMedia, Inc., or NCM, Inc., filed a registration statement with the SEC for its initial public offering. On February 13, 2007, NCM, Inc. completed its initial public offering of its common stock. In connection with the NCM Inc. public offering, NCM Inc. became a member and the sole manager of NCM, and the Company entered into or amended various agreements with NCM and NCM Inc. including the Third Amended and Restated Limited Liability Company Operating Agreement of NCM, by and among the founding members and NCM Inc. and an Exhibitor Services Agreement, by and between the Company and NCM. Prior to the initial public offering of NCM Inc. common stock, the Company's ownership interest in NCM was approximately 25% and subsequent to the completion of the offering the Company held a 14% interest in NCM. In connection with NCM Inc. initial public offering and the modification of the foregoing agreements, NCM paid the Company an aggregate of $389,003. See Note 24.

(In thousands, except share and per share data)

7. 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 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 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:

	Period from January 1, 2004 to April 1, 2004 (Predecessor)	Period from April 2, 2004 to December 31, 2004 (Successor)
Admissions	$ 1,730	$ 3,163
Concession	1,285	4,056
Other	326	811
Total revenues	$ 3,341	$ 8,030
Cost of operations		
Film rentals and advertising	757	1,434
Concession supplies	262	643
Salaries and wages	628	1,638
Facility lease expense	608	1,076
Utilities and other	634	1,581
General and administrative expenses	277	220
Depreciation and amortization	83	212
(Gain) loss on sale of assets and other	1,800	(3,057)
Total cost of operations	5,049	3,747
Operating income (loss)	(1,708)	4,283
Minority interests in (income) loss of subsidiaries	14	(55)
Income (loss) before income taxes	(1,694)	4,228
Income taxes	(129)	73
Income (loss) from discontinued operations	$ (1,565)	$ 4,155

CINEMARK HOLDINGS, INC. AND SUBSIDIARIES

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

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.

8. 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:

	Period from January 1, 2004 to April 1, 2004 (Predecessor)	Period from April 2, 2004 to December 31, 2004 (Successor)	Year Ended December 31, 2005 (Successor)	Year Ended December 31, 2006 (Successor)
Income (loss) from continuing operations after income taxes	$ (9,068)	$ (7,842)	$ (25,408)	$ 841
Basic:				
Weighted average common shares outstanding	40,614	27,675	27,784	28,713
Income (loss) from continuing operations after income taxes per common share	$ (0.22)	$ (0.28)	$ (0.91)	$ 0.03
Diluted:				
Weighted average common shares outstanding	40,614	27,675	27,784	28,713
Common equivalent shares for stock options	—	—	—	565
Weighted average common and common equivalent shares outstanding	40,614	27,675	27,784	29,278
Income (loss) from continuing operations after income taxes per common and common equivalent share	$ (0.22)	$ (0.28)	$ (0.91)	$ 0.03

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)

9. GOODWILL AND OTHER INTANGIBLE ASSETS — NET

The Company's goodwill is as follows:

	U.S. Operating Segment	International Operating Segment	Total
Successor balance at December 31, 2004	$ 441,232	$ 169,724	$ 610,956
Impairment charges	(38,403)	(6,898)	(45,301)
Purchase from minority investors purchase price allocation adjustments	—	(5,059)	(5,059)
Foreign currency translation adjustments and other	(1,432)	(7,627)	(9,059)
Successor balance at December 31, 2005	$ 401,397	$ 150,140	$ 551,537
Acquisition of Century Theatres, Inc.	658,546	—	658,546
Impairment charges	(5,116)	(8,478)	(13,594)
Foreign currency translation adjustments and other	1,989	6,945	8,934
Successor balance at December 31, 2006	$ 1,056,816	$ 148,607	$ 1,205,423

See Note 4 regarding the acquisition of Century Theatres, Inc. and Note 5 regarding the purchase price allocation adjustments for Brazil and Mexico.

Impairment charges for 2005 and 2006 relate to goodwill associated with theatre properties. The Company records goodwill at the theatre level which results in more volatile impairment charges on an annual basis due to changes in market conditions and box office performance and the resulting impact on individual theatres.

CINEMARK HOLDINGS, INC. AND SUBSIDIARIES

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

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

	Balance at December 31, 2005 (Successor)	Additions	Amortization	Impairment	Foreign Currency Translation Adjustments and Other	Balance at December 31, 2006 (Successor)
Intangible assets with finite lives:						
Capitalized licensing fees:						
Gross carrying amount	$ 5,138	$ —	$ —	$ —	$ —	$ 5,138
Accumulated amortization	(791)	—	(348)	—	—	(1,139)
Net carrying amount	$ 4,347	$ —	$ (348)	$ —	$ —	$ 3,999
Vendor contracts:						
Gross carrying amount	56,559	—	—	—	(33)	56,526
Accumulated amortization	(14,962)	—	(4,962)	—	—	(19,924)
Net carrying amount	$ 41,597	$ —	$ (4,962)	$ —	$ (33)	$ 36,602
Net favorable leases:						
Gross carrying amount	32,677	(9,360)	—	—	(1,318)	21,999
Accumulated amortization	(7,262)	—	(3,427)	(1,334)	—	(12,023)
Net carrying amount	$ 25,415	$ (9,360)	$ (3,427)	$ (1,334)	$ (1,318)	$ 9,976
Other intangible assets:						
Gross carrying amount	1,663	—	—	—	(1,593)	70
Accumulated amortization	(557)	—	(229)	—	770	(16)
Net carrying amount	$ 1,106	$ —	$ (229)	$ —	$ (823)	$ 54
Total net intangible assets with finite lives	$ 72,465	$ (9,360)	$ (8,966)	$ (1,334)	$ (2,174)	$ 50,631
Intangible assets with indefinite lives:						
Tradename	173,713	136,000	—	—	405	310,118
Other unamortized intangible assets	3	—	—	—	—	3
Total intangible assets — net	$ 246,181	$ 126,640	$ (8,966)	$ (1,334)	$ (1,769)	$ 360,752

During the year ended December 31, 2006, the Company recorded net unfavorable leases of $9,360 and a tradename intangible asset of $136,000 as part of a preliminary purchase price allocation related to the Century Acquisition (see note 4).

CINEMARK HOLDINGS, INC. AND SUBSIDIARIES

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

Amortization expense for the year ended December 31, 2006 included $8,966 of amortization for intangible assets and $423 of amortization for other assets. Estimated aggregate future amortization expense for intangible assets is as follows:

For the year ended December 31, 2007	$ 7,066
For the year ended December 31, 2008	6,673
For the year ended December 31, 2009	5,832
For the year ended December 31, 2010	5,542
For the year ended December 31, 2011	4,937
Thereafter	20,581
Total	$ 50,631

10. 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, 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, 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 undiscounted cash flows, which was seven times as of December 31, 2005 and eight times as of December 31, 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. Significant judgment 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.

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

	Period from January 1, 2004 to April 1, 2004 (Predecessor)	Period from April 2, 2004 to December 31, 2004 (Successor)	Year Ended December 31, 2005 (Successor)	Year Ended December 31, 2006 (Successor)
United States theatre properties	$ 1,000	$ 973	$ 5,626	$ 9,467
International theatre properties	—	—	750	4,142
Subtotal	$ 1,000	$ 973	$ 6,376	$ 13,609
Intangible assets (see Note 9)	—	—	—	1,334
Goodwill (see Note 9)	—	35,748	45,301	13,594
Impairment of long-lived assets	$ 1,000	$ 36,721	$ 51,677	$ 28,537

CINEMARK HOLDINGS, INC. AND SUBSIDIARIES

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

11. DEFERRED CHARGES AND OTHER ASSETS — NET

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

	2005	2006
Debt issue costs	$ 27,330	$ 39,646
Less: Accumulated amortization	(5,218)	(4,794)
Subtotal	22,112	34,852
Long-term prepaid rents	11,782	16,283
Construction advances and other deposits	2,026	1,869
Equipment to be placed in service	3,744	3,990
Brazil value added tax deposit	3,602	3,943
Other	2,718	2,155
Total	$ 45,984	$ 63,092

During the year ended December 31, 2006, the Company incurred new debt issue costs of $22,767 related to the new senior secured credit facility and wrote-off $5,782 of existing debt issue costs as a result of the payoff of its term loan under its former senior secured credit facility, both of which occurred in conjunction with the Century Acquisition (see Notes 4 and 12 for further discussion.). Additionally, the Company wrote-off $222 of debt issue costs related to its repurchase of $10,000 of its 9% senior subordinated notes and $961 of debt issue costs related to its repurchase of $39,775 aggregate principal amount at maturity of its 9 3/4% senior discount notes. (See Note 12.)

12. LONG-TERM DEBT

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

	2005	2006
Cinemark, Inc. 9 3/4% senior discount notes due 2014	$ 423,978	$ 434,073
Cinemark USA, Inc. 9% senior subordinated notes due 2013	364,170	350,820
Cinemark USA, Inc. Term Loan	255,450	1,117,200
Other long-term debt	11,497	9,560
Total long-term debt	1,055,095	1,911,653
Less current portion	6,871	14,259
Long-term debt, less current portion	$ 1,048,224	$ 1,897,394

Senior Discount Notes

On March 31, 2004, in connection with the MDP merger, 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. The Company may redeem all or part of the 9 3/4% senior discount notes on or after March 15, 2009.

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. During May 2006, as part of four open market purchases, the Company repurchased $39,775 aggregate principal amount at maturity of the 9$^{3}/_{4}$% senior discount notes for approximately $31,745, including accreted interest of $5,381 and a $1,414 cash premium paid. The Company funded these transactions with available cash from its operations. The open market repurchase costs, including premiums paid and a portion of the unamortized debt issue costs of $46 and $2,375 related to the repurchase of the 9$^{3}/_{4}$% senior discount notes were recorded as a loss on early retirement of debt in the Company's consolidated statements of operations for the years ended December 31, 2005 and 2006, respectively. As of December 31, 2006, the accreted principal balance of the notes was $434,073 and the aggregate principal amount at maturity will be $535,558.

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 capital stock, liens and additional indebtedness. The dividend restriction contained in the indenture prevents the Company 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; 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 dividend restriction is subject to certain exceptions specified in the indenture.

The indenture governing the 9$^{3}/_{4}$% senior discount notes requires Cinemark, Inc. to have a fixed charge coverage ratio (as determined under the indenture) of at least 2.0 to 1.0 in order to incur certain additional indebtedness, issue preferred stock or make certain restricted payments, including dividends to the Company. Fixed charge coverage ratio is defined as the ratio of consolidated cash flow of Cinemark, Inc. and its subsidiaries to their fixed charges for the four most recent full fiscal quarters, giving pro forma effect to certain events as specified in the indenture. Fixed charges is defined as consolidated interest expense of Cinemark, Inc. and its subsidiaries, subject to certain adjustments as provided in the indenture. Consolidated cash flow as defined in the indenture is substantially consistent with our presentation of Adjusted EBITDA. Because Cinemark, Inc.'s failure to meet the fixed charge coverage ratio described above could restrict its ability to incur debt or make dividend payments, management believes that the indenture governing the 9$^{3}/_{4}$% senior discount notes and these covenants and Adjusted EBITDA and Adjusted EBITDA margins are material to us. As of December 31, 2006, Cinemark, Inc.'s fixed charge coverage ratio under the indenture was in excess of the 2.0 to 1.0 requirement described above.

The indenture governing the 9$^{3}/_{4}$% senior discount notes allows the Company to incur additional indebtedness if it satisfies the senior discount notes debt incurrence ratio described above, and in certain other circumstances. 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 certain specified types of change of control, which excludes an initial public offering, the Company 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 purchase.

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 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. 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.

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 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.

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 the cash premium paid and accrued and unpaid interest. The transactions were funded 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 year ended December 31, 2006, which included the write-off of unamortized debt issue costs and unamortized bond premium related to the retired senior subordinated notes.

CINEMARK HOLDINGS, INC. AND SUBSIDIARIES

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

As of December 31, 2006, the Company had outstanding $332,250 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 9% senior subordinated notes are general, unsecured obligations and are subordinated in right of payment to the new 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, including their guarantees of the new senior secured credit facility. The notes are effectively subordinated to the indebtedness and other liabilities of the Company'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 the Company 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.

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.

Upon certain specified types of change of control, which excludes an initial public offering, 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.

On March 6, 2007, the Company commenced an offer to purchase for cash, on the terms and subject to the conditions set forth in an Offer to Purchase and Consent Solicitation Statement, any and all of its 9% senior subordinated notes, of which $332,250 aggregate principal amount remains outstanding. In connection with the tender offer, the Company is soliciting consents for certain proposed amendments to the indenture pursuant to which the 9% senior subordinated notes were issued. The Company expects to fund the repurchase with the net proceeds received from NCM in connection with the consummation of its initial public offering and modification of certain agreements with NCM.

New Senior Secured Credit Facility

On October 5, 2006, in connection with the Century acquisition, the Company entered into a new senior secured credit facility. The net proceeds of the new term loan were used to fund a portion of the $531,225 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 $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.

CINEMARK HOLDINGS, INC. AND SUBSIDIARIES

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

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. The revolving credit line was left undrawn at closing. The revolving credit line is used for general corporate purposes.

At December 31, 2006, there was $1,117,200 outstanding under the new term loan and no borrowings outstanding under the new revolving credit line. Approximately $149,931 was available for borrowing under the new revolving credit line, giving effect to a $69 letter of credit outstanding. The average interest rate on outstanding borrowings under the new senior secured credit facility at December 31, 2006 was 7.4% per annum.

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 Bank 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 (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 is required to pay a commitment fee calculated at the rate of 0.50% per annum on the average daily unused portion of the new revolving credit line, payable quarterly in arrears, which rate decreases to 0.375% per annum for any fiscal quarter in which the Company's consolidated net senior secured leverage ratio on the last day of such fiscal quarter is less than 2.25 to 1.0.

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.

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 the Company 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 the Company and any of its subsidiaries from paying a dividend or otherwise distributing cash to its stockholders unless (1) the Company is not in default, and the distribution would not cause it 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 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 proposed initial public offering is not considered a change of control under the new senior secured credit facility.

On March 14, 2007, Cinemark USA, Inc. amended its new senior secured credit facility to, among other things, modify the interest rate on the term loans under the new senior secured credit facility, modify certain prepayment terms and covenants, and facilitate the tender offer for the 9% senior subordinated notes. The term loans now accrue 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 0.50% to 0.75% per annum, or (B) a "Eurodollar rate" plus a margin that ranges from 1.50% to 1.75%, per annum. In each case the margin is a function of the corporate credit rating applicable to the borrower. The interest rate on the revolving credit line was not amended. Additionally, the amendment removed any obligation to prepay amounts outstanding under the new senior secured credit facility in an amount equal to the amount of the net cash proceeds received from the NCM transactions or from excess cash flows, and imposed a 1% prepayment premium for one year on certain prepayments of the term loans. The amendment was a condition precedent to the consummation of the tender offer for the senior subordinated notes.

Former 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 provided 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 then 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.

On October 5, 2006, in connection with the Century Acquisition, the $253,500 outstanding under the former senior secured credit facility was repaid in full with a portion of the proceeds from the new senior secured credit facility. The unamortized debt issue costs of $5,782 related to the former senior secured credit facility that was repaid in full were recorded as a loss on early retirement of debt in the Company's consolidated statements of operations for the year ended December 31, 2006.

CINEMARK HOLDINGS, INC. AND SUBSIDIARIES

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

Covenant Compliance and Debt Maturity

As of December 31, 2006, the Company was in full compliance with all agreements, including related covenants, governing its outstanding debt. The Company's long-term debt at December 31, 2006 matures as follows:

2007	$ 14,259
2008	14,932
2009	12,803
2010	12,366
2011	11,200
Thereafter	1,846,093
Total	$ 1,911,653

The estimated fair value of the Company's long-term debt at December 31, 2006 was approximately $1,958,845. This amount does not include prepayment penalties that would be incurred upon the early extinguishment of certain debt issues.

Debt issue costs of $39,646, net of accumulated amortization of $4,794, related to the senior discount notes, senior subordinated notes, the new 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, 2006.

13. FOREIGN CURRENCY TRANSLATION

The accumulated other comprehensive income (loss) account in stockholders' equity of $(4,745) and $11,463 at December 31, 2005 and December 31, 2006, respectively, primarily relates to the cumulative foreign currency adjustments from translating the financial statements of Cinemark Brasil S.A. into U.S. dollars.

In 2006 and 2005, all foreign countries where the Company has operations, including Brazil 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, 2006, the exchange rate for the Brazilian real was 2.14 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 December 31, 2006 Brazilian financial statements into U.S. dollars is reflected as a cumulative foreign currency translation adjustment to the accumulated other comprehensive income (loss) account as an increase in stockholders' equity of $14,954. At December 31, 2006, the total assets of the Company's Brazilian subsidiaries were U.S. $159,658.

(In thousands, except share and per share data)

14. INVESTMENTS IN AND ADVANCES TO AFFILIATES

The Company had the following investments in and advances to affiliates at December 31:

	2005	2006
Investment in National CineMedia LLC — investment, at equity	$ 7,329	$ 5,353
Cinemark Theatres Alberta, Inc. — investment, at equity — 50% interest	612	617
Fandango, Inc. — investment, at cost — 7% interest	171	2,142
Cinemark — Core Pacific, Ltd. (Taiwan) — investment, at cost — 14% interest	1,383	1,383
Other	1,698	1,895
Total	$ 11,193	$ 11,390

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 6 to the consolidated financial statements for further discussion of the investment and the Company's ownership interest. See Note 24 for discussion of National CineMedia's initial public offering and related funds received by the Company.

During the year ended December 31, 2006, as a result of the Company's acquisition of Century, the Company's investment in Fandango, Inc. increased from 1% to approximately 7%.

15. MINORITY INTERESTS IN SUBSIDIARIES

Minority ownership interests in subsidiaries of the Company are as follows at December 31:

	2005	2006
Cinemark Partners II — 49.2% interest	$ 8,554	$ 8,862
Cinemark Equity Holdings Corp. (Central America) — 49.9% interest	2,577	2,263
Cinemark Colombia, S.A. — 49.0% interest	2,333	2,483
Greeley Ltd. — 49.0% interest	1,491	1,422
Cinemark del Ecuador, S.A. — 40.0% interest	932	994
Cinemark de Mexico, S.A. de C.V. — 0.6% interest	272	346
Others	263	243
Total	$ 16,422	$ 16,613

16. 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 stock.

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 new 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.

(In thousands, except share and per share data)

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 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 "2004 Plan") under which 3,074,991 shares of common stock are available for issuance to selected employees, directors and consultants of the Company. The 2004 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 2004 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.

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.

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. The share exchange was completed on October 5, 2006.

In November 2006, the Board of Directors amended the 2004 Plan to provide that no additional awards may be granted under the 2004 Plan. At that time, the Board and the majority of the Company's stockholders approved the 2006 Long Term Incentive Plan (the "2006 Plan"). The 2006 Plan is substantially similar to the 2004 Plan.

CINEMARK HOLDINGS, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)
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A summary of Plan activity and related information for the period from April 2, 2004 to December 31, 2004 and the years ended December 31, 2005 and 2006 is as follows:

	2004		2005		2006	
	Shares	Weighted Average Exercise Price	Shares	Weighted Average Exercise Price	Shares	Weighted Average Exercise Price
Outstanding at January 1	—	$ —	2,361,590	$ 22.58	2,365,665	$ 22.58
Granted	2,361,590(1)	$ 22.58	4,075	$ 22.58	—	$ —
Forfeited	—	$ —	—	$ —	(4,594)	$ 22.58
Exercised	—	$ —	—	$ —	(1,556)	$ 22.58
Outstanding at December 31	2,361,590	$ 22.58	2,365,665	$ 22.58	2,359,515	$ 22.58
Options exercisable at December 31	353,211	$ 22.58	827,603	$ 22.58	1,296,040	$ 22.58

(1) Options granted on September 30, 2004, subsequent to change in accounting basis.

All options outstanding at December 31, 2006 have a remaining contractual life of approximately 7.75 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.

CINEMARK HOLDINGS, INC. AND SUBSIDIARIES

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

17. SUPPLEMENTAL CASH FLOW INFORMATION

The following is provided as supplemental information to the consolidated statements of cash flows:

	Period from January 1, 2004 to April 1, 2004 (Predecessor)	Period from April 2, 2004 to December 31, 2004 (Successor)	Year Ended December 31, 2005 (Successor)	Year Ended December 31, 2006 (Successor)
Cash paid for interest	$ 23,307	$ 23,379	$ 45,166	$ 65,716
Net cash paid for income taxes	$ 5,070	$ 11,612	$ 2,911	$ 27,044
Noncash investing and financing activities:				
Change in construction lease obligations related to construction of theatres	$ —	$ 6,463	$ (4,312)	$ 395
Changes in accounts payable and accrued expenses for the acquisition of theatre properties and equipment	$ 1,609	$ (2,758)	$ 8,945	$ 3,662
Exchange of theatre properties	$ —	$ —	$ —	$ 5,400
Issuance of common stock as a result of the Century Acquisition	$ —	$ —	$ —	$ 150,000

18. INCOME TAXES

Income (loss) from continuing operations before income taxes consisted of the following:

	Period from January 1, 2004 to April 1, 2004 (Predecessor)	Period from April 2, 2004 to December 31, 2004 (Successor)	Year Ended December 31, 2005 (Successor)	Year Ended December 31, 2006 (Successor)
Income (loss) from continuing operations before income taxes:				
U.S.	$ (26,030)	$ 3,312	$ (21,925)	$ 7,315
Foreign	13,259	7,139	5,925	6,211
Total	$ (12,771)	$ 10,451	$ (16,000)	$ 13,526
Current:				
Federal	$ (5,668)	$ 8,397	$ 17,653	$ 19,280
Foreign	443	3,565	2,115	2,416
State	(537)	997	1,972	868
Total current expense	(5,762)	12,959	21,740	22,564
Deferred:				
Federal	1,791	1,142	(9,778)	(14,532)
Foreign	—	4,830	24	4,354
State	268	(638)	(2,578)	299
Total deferred expense	2,059	5,334	(12,332)	(9,879)
Income tax expense	$ (3,703)	$ 18,293	$ 9,408	$ 12,685

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A reconciliation between income tax expense and taxes computed by applying the applicable statutory federal income tax rate to income (loss) from continuing operations before income taxes follows:

	Period from January 1, 2004 to April 1, 2004 (Predecessor)	Period from April 2, 2004 to December 31, 2004 (Successor)	Year Ended December 31, 2005 (Successor)	Year Ended December 31, 2006 (Successor)
Computed normal tax expense	$ (4,470)	$ 3,658	$ (5,600)	$ 4,734
Goodwill	(11)	11,587	14,310	4,722
Foreign inflation adjustments	134	402	(2,332)	1,803
State and local income taxes, net of federal income tax benefit	(175)	348	1,030	759
Foreign losses not benefited and other changes in valuation allowance	(800)	(1,672)	(448)	1,926
Foreign tax rate differential	991	2,972	(33)	946
Foreign dividends including Section 965	—	—	3,158	578
Other — net	628	998	(677)	(2,783)
Income tax expense	$ (3,703)	$ 18,293	$ 9,408	$ 12,685

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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, 2005 and 2006 consisted of the following:

	2005	2006
Deferred liabilities:		
Theatre properties and equipment	$ 36,432	$ 125,950
Deferred intercompany sale	2,961	7,207
Intangible asset — contracts	13,084	12,394
Intangible asset — tradenames	63,627	117,019
Intangible asset — net favorable leases	7,988	3,695
Total deferred liabilities	124,092	266,265
Deferred assets:		
Deferred lease expenses	3,014	3,937
Theatre properties and equipment	6,772	5,915
Deferred gain on sale leasebacks	208	—
Property under capital lease	—	44,477
Long-term debt	3,435	7,598
Debt issue costs	2,439	2,194
Tax loss carryforward	13,549	15,535
AMT and other credit carryforwards	2,159	2,583
Other expenses, not currently deductible for tax purposes	(2,701)	(771)
Total deferred assets	28,875	81,468
Net long-term deferred income tax liability before valuation allowance	95,217	184,797
Valuation allowance	6,935	8,862
Net long-term deferred income tax liability	$ 102,152	$ 193,659
Net deferred tax liability — Foreign	$ 8,035	$ 11,256
Net deferred tax liability — U.S.	94,117	182,403
Total of all deferrals	$ 102,152	$ 193,659

The Company's valuation allowance increased from $6,935 at December 31, 2005 to $8,862 at December 31, 2006. This change was primarily due to an increase to the valuation allowance on the net operating loss in Mexico.

The foreign net operating losses began expiring in 2002; however, some losses may be carried forward indefinitely. The Company's foreign tax credit carryforwards begin expiring in 2008. The Company's state net operating loss carryforward will expire in 2007 through 2024. The amount of the state net operating loss carryforward that will expire in 2007 is $154.

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.

CINEMARK HOLDINGS, INC. AND SUBSIDIARIES

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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, 2006, the cumulative amount of undistributed earnings of these foreign subsidiaries on which the Company has not recognized income taxes was approximately $92,000.

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.

19. COMMITMENTS AND CONTINGENCIES

Leases — The Company conducts a significant part of its theatre operations in leased properties under noncancelable operating and capital 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 $9,569 and $14,286 at December 31, 2005 and 2006, 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:

	Period from January 1, 2004 to April 1, 2004 (Predecessor)	Period from April 2, 2004 to December 31, 2004 (Successor)	Year Ended December 31, 2005 (Successor)	Year Ended December 31, 2006 (Successor)
Fixed rent expense	$ 26,230	$ 78,724	$ 110,995	$ 130,726
Contingent rent expense	4,685	19,105	27,482	30,648
Facility lease expense	30,915	97,829	138,477	161,374
Corporate office rent expense	350	1,056	1,432	1,609
Total rent expense	$ 31,265	$ 98,885	$ 139,909	$ 162,983

Future minimum lease payments under noncancelable operating and capital leases that have initial or remaining terms in excess of one year at December 31, 2006 are due as follows:

	Operating Leases	Capital Leases
2007	$ 163,681	$ 16,062
2008	168,123	16,092
2009	166,593	16,147
2010	162,273	16,401
2011	157,785	15,362
Thereafter	1,185,739	154,783
Total	$ 2,004,194	$ 234,847
Amounts representing interest		(119,020)
Present value of future minimum payments		$ 115,827
Current portion of capital lease obligations		3,649
Capital lease obligations, less current portion		$ 112,178

CINEMARK HOLDINGS, INC. AND SUBSIDIARIES

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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 currently serves as the Company's Chairman. 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 $764 during 2006, 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 the Company 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 the Company's Chairman, 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 currently serve, respectively, as the Company's Executive Vice President, Chief Executive Officer, Executive Vice President and Chief Financial Officer, President and Chief Operating Officer, 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.

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 $1,382 and $1,295 were made in 2005 (for plan year 2004) and 2006 (for plan year 2005), respectively. A liability of $1,604 has been recorded at December 31, 2006 for contribution payments to be made in 2007 (for plan year 2006).

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, 2005 and 2006.

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.

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.

20. SEGMENTS

At December 31, 2006, the Company identified its international market and its U.S. market as separate reportable operating segments. The international segment consists of operations in Mexico, Argentina, Brazil, Chile, Ecuador, Peru, Honduras, El Salvador, Nicaragua, Costa Rica, Panama and Columbia. The U.S. segment includes U.S. and Canada operations. Each segment's revenue is derived from admissions and concessions sales and other ancillary revenues, primarily screen advertising. The primary measure of segment profit and loss the Company uses to evaluate performance and allocate its resources is Adjusted EBITDA, as defined in the reconciliation table below. The Company's management evaluates the performance of its assets on a consolidated basis.

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Below is a breakdown of select financial information by reportable operating segment (in 000's):

	Period from January 1, 2004 to April 1, 2004 (Predecessor)	Period from April 2, 2004 to December 31, 2004 (Successor)	Year Ended December 31, 2005 (Successor)	Year Ended December 31, 2006 (Successor)
Revenues				
U.S.	$ 175,563	$ 607,831	$ 757,902	$ 936,684
International	58,465	183,755	264,314	285,854
Eliminations	(403)	(969)	(1,619)	(1,944)
Total revenues	$ 233,625	$ 790,617	$ 1,020,597	$ 1,220,594

	Period from January 1, 2004 to April 1, 2004 (Predecessor)	Period from April 2, 2004 to December 31, 2004 (Successor)	Year Ended December 31, 2005 (Successor)	Year Ended December 31, 2006 (Successor)
Adjusted EBITDA				
U.S.	$ 37,154	$ 139,583	$ 155,987	$ 217,845
International	13,454	39,049	54,148	53,770
Total Adjusted EBITDA	$ 50,608	$ 178,632	$ 210,135	$ 271,615

	December 31, 2005 (Successor)	December 31, 2006 (Successor)
	(in thousands)	
Capital Expenditures		
U.S.	$ 56,262	$ 80,786
International	19,343	26,295
Total Capital Expenditures	$ 75,605	$ 107,081

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

	Period from January 1, 2004 to April 1, 2004 (Predecessor)	Period from April 2, 2004 to December 31, 2004 (Successor)	Year Ended December 31, 2005 (Successor)	Year Ended December 31, 2006 (Successor)
Net income (loss)	$ (10,633)	$ (3,687)	$ (25,408)	$ 841
Add (deduct):				
Income taxes	(3,703)	18,293	9,408	12,685
Interest expense(1)	12,562	58,149	84,082	109,328
Other (income) expense	765	5,020	(4,581)	4,515
(Income) loss from discontinued operations, net of taxes	1,565	(4,155)	—	—
Depreciation and amortization	16,865	58,266	81,952	95,821
Amortization of net favorable leases	—	3,087	4,174	3,649
Impairment of long-lived assets	1,000	36,721	51,677	28,537
(Gain) loss on sale of assets and other	(513)	3,602	4,436	7,645
Deferred lease expenses	560	3,336	4,395	5,730
Stock option compensation and change of control expenses related to the MDP Merger	31,995	—	—	—
Amortized compensation-stock options	145	—	—	2,864
Adjusted EBITDA	$ 50,608	$ 178,632	$ 210,135	$ 271,615

(1) Includes amortization of debt issue costs.

Financial Information by Geographic Area

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:

	Period from January 1, 2004 to April 1, 2004 (Predecessor)	Period from April 2, 2004 to December 31, 2004 (Successor)	Year Ended December 31, 2005 (Successor)	Year Ended December 31, 2006 (Successor)
Revenues(1)				
U.S. and Canada	$ 175,563	$ 607,831	$ 757,902	$ 936,684
Mexico	17,801	58,347	74,919	71,589
Brazil	21,775	69,097	112,182	128,555
Other foreign countries	18,889	56,311	77,213	85,710
Eliminations	(403)	(969)	(1,619)	(1,944)
Total	$ 233,625	$ 790,617	$ 1,020,597	$ 1,220,594

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)
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	December 31, 2005 (Successor)	December 31, 2006 (Successor)
Theatre properties and equipment, net		
U.S. and Canada	$ 646,841	$ 1,169,456
Mexico	55,366	51,272
Brazil	52,371	55,749
Other foreign countries	48,691	48,095
Total	$ 803,269	$ 1,324,572

(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.

21. OTHER RELATED PARTY TRANSACTIONS

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 and $149 of facility lease and other operating expenses payable to Plitt Plaza joint venture during the years ended December 31, 2005 and 2006, respectively.

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 and $191 of management fee revenues during the years ended December 31, 2005 and 2006, respectively, and received $675 and $600 of distributions from Laredo during the years ended December 31, 2005 and 2006, respectively. All such amounts are included in the Company's consolidated financial statements with the intercompany amounts eliminated in consolidation.

The Company leases 25 theatres and two parking facilities from Syufy Enterprises, LP ("Syufy") or affiliates of Syufy, which owns approximately 10.8% of the Company's issued and outstanding shares of common stock. Raymond Syufy and Joseph Syufy are two of the Company's 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 the Company 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 the Company to terminate the lease prior to expiration of the term. These 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 the Company has 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.

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The Company 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.

The Company entered into an amended and restated profit participation agreement on March 12, 2004 with its former President and current Chief Executive Officer, 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 years ended December 31, 2005 and 2006, the Company recorded $633 and $620, respectively, 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 2006, the Company paid $619 to Mr. Stock for amounts earned during 2005 and 2006. 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 an initial public offering, the Company intends to exercise an option to purchase Mr. Stock's interest in the theatres for a price as of December 31, 2006 of approximately $6,900 calculated pursuant to the terms of the profit participation agreement.

22. VALUATION AND QUALIFYING ACCOUNTS

The Company's valuation allowance for deferred tax assets for the period from January 1, 2004 to April 1, 2004, the period from April 2, 2004 to December 31, 2004 and the years ended December 31, 2005 and 2006 were as follows:

	Valuation Allowance for Deferred Tax Assets
Predecessor balance at December 31, 2003	$ 13,017
Additions	—
Deductions	(800)
Predecessor balance at April 1, 2004	$ 12,217
Additions	999
Deductions	(5,833)
Successor balance at December 31, 2004	$ 7,383
Additions	2,232
Deductions	(2,680)
Successor balance at December 31, 2005	$ 6,935
Additions	4,225
Deductions	(2,298)
Successor balance at December 31, 2006	$ 8,862

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23. QUARTERLY FINANCIAL INFORMATION (UNAUDITED)

	2005 (Successor)				
	First Quarter	Second Quarter	Third Quarter	Fourth Quarter(1)	Full Year
Revenues	$ 237,681	$ 253,027	$ 256,300	$ 273,589	$ 1,020,597
Operating income (loss)	$ 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)

	2006 (Successor)				
	First Quarter	Second Quarter	Third Quarter	Fourth Quarter(2)(3)	Full Year
Revenues	$ 245,989	$ 295,105	$ 287,995	$ 391,505	$ 1,220,594
Operating income	$ 24,574	$ 43,482	$ 30,131	$ 29,182	$ 127,369
Net income (loss)	$ 5,790	$ 13,104	$ 2,276	$ (20,329)	$ 841
Net income (loss) per share:					
Basic	$ 0.21	$ 0.47	$ 0.08	$ (0.65)	$ 0.03
Diluted	$ 0.20	$ 0.46	$ 0.08	$ (0.65)	$ 0.03

(1) During the fourth quarter of 2005, the Company recorded goodwill impairment charges of $45.3 million.

(2) During the fourth quarter of 2006, the Company acquired Century Theatres, Inc. (see Note 4).

(3) During the fourth quarter of 2006, the Company recorded goodwill impairment charges of $13.6 million and recorded additional interest expense related to the new senior secured credit facility.

24. SUBSEQUENT EVENT — NATIONAL CINEMEDIA

In March 2005, Regal and AMC formed National CineMedia, LLC, or NCM, and on July 15, 2005, the Company joined NCM, as one of the founding members along with Regal and AMC. NCM operates the largest digital in-theatre network in the U.S. for providing cinema advertising and non-film events and combines the cinema advertising and non-film events businesses of the three largest motion picture companies in the U.S. On February 13, 2007, NCM, Inc., a newly formed entity that now serves as a member and the sole manager of NCM, completed an initial public offering of its common stock. In connection with the NCM, Inc. public offering, NCM, Inc. became a member and the sole manager of NCM, and the Company amended the operating agreement of NCM and the Exhibitor Services Agreement pursuant to which NCM provides advertising, promotion and event services to the Company's theatres.

Prior to the initial public offering of NCM, Inc. common stock, the Company's ownership interest in NCM was approximately 25% and subsequent to the completion of the offering the Company held a 14% interest in NCM. Prior to pricing the initial public offering of NCM, Inc., NCM completed a recapitalization whereby (1) each issued and outstanding Class A unit of NCM was split into 44,291 Class A units, and (2) following such split of Class A Units each issued and outstanding Class A Unit was recapitalized into one common unit and one preferred unit. As a result, the Company received 14,159,437 common units and 14,159,437 preferred units. All existing preferred units of NCM, or 55,850,951 preferred units, held by the

Company, Regal, AMC were redeemed on a pro rata basis on February 13, 2007. NCM utilized the proceeds of its new $725,000 term loan facility and a portion of the proceeds it received from NCM, Inc. from its initial public offering to redeem all of its outstanding preferred units. Each preferred unit was redeemed for $13.7782 and the Company received approximately $195,092 as payment in full for redemption of all of the Company's preferred units in NCM. Upon payment of such amount, each preferred unit was cancelled and the holders of the preferred units ceased to have any rights with respect to the preferred units.

NCM has also paid the Company a portion of the proceeds it received from NCM, Inc. in the initial public offering for agreeing to modify NCM's payment obligation under the prior exhibitor services agreement. The modification agreed to by the Company reflects a shift from circuit share expense under the prior exhibitor service agreement, which obligated NCM to pay the Company a percentage of revenue, to the monthly theatre access fee described below. The theatre access fee will significantly reduce the contractual amounts paid to the Company by NCM. In exchange for the Company's agreement to so modify the agreement, NCM paid the Company approximately $174,000 upon execution of the Exhibitor Services Agreement on February 13, 2007. Regal and AMC similarly amended their exhibitor service arrangements with NCM.

At the closing of the initial public offering, the underwriters exercised their over-allotment option to purchase additional shares of common stock of NCM, Inc. at the initial public offering price, less underwriting discounts and commissions. In connection with the over-allotment option exercise, Regal, AMC and the Company each sold to NCM, Inc. common units of NCM on a pro-rata basis at the initial public offering price, less underwriting discounts and expenses. The Company sold 1,014,088 common units to NCM, Inc. for proceeds of $19,911, and upon completion of this sale of common units, the Company owned 13,145,239 common units of NCM or a 14% interest. In the future, the Company expects to receive mandatory quarterly distributions of excess cash from NCM.

In consideration for NCM's exclusive access to the Company's theatre attendees for on-screen advertising and use of off-screen locations within the Company's theatres for the lobby entertainment network and lobby promotions, the Company will receive a monthly theatre access fee under the Exhibitor Services Agreement. The theatre access fee is composed of a fixed payment per patron, initially seven cents, and a fixed payment per digital screen, which may be adjusted for certain enumerated reasons. The payment per theatre patron will increase by 8% every five years, with the first such increase taking effect after the end of fiscal 2011, and the payment per digital screen, initially eight hundred dollars per digital screen per year, will increase annually by 5%, beginning after 2007. The theatre access fee paid in the aggregate to Regal, AMC and the Company will not be less than 12% of NCM's Aggregate Advertising Revenue (as defined in the Exhibitor Services Agreement), or it will be adjusted upward to reach this minimum payment. Additionally, with respect to any on-screen advertising time provided to the Company's beverage concessionaire, the Company is required to purchase such time from NCM at a negotiated rate. The Exhibitor Services Agreement has, except with respect to certain limited services, a term of 30 years.

25. SUBSEQUENT EVENT — DIGITAL CINEMA IMPLEMENTATION PARTNERS, LLC.

On February 12, 2007, the Company, along with AMC and Regal entered into a joint venture known as Digital Cinema Implementation Partners LLC, or DCIP, to explore the possibility of implementing digital cinema in the Company's theatres and to establish agreements with major motion picture studios for the implementation and financing of digital cinema. In addition, DCIP has entered into a digital cinema services agreement with NCM for purposes of assisting DCIP in the development of digital cinema systems. Future digital cinema developments will be managed by DCIP, subject to the Company's approval, along with the Company's partners, AMC and Regal.

CINEMARK HOLDINGS, INC. AND SUBSIDIARIES

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

26. SUBSEQUENT EVENT — LONG-TERM DEBT

On March 6, 2007, the Company commenced an offer to purchase for cash, on the terms and subject to the conditions set forth in an Offer to Purchase and Consent Solicitation Statement, any and all of its 9% senior subordinated notes, of which $332,250 aggregate principal amount remains outstanding. In connection with the tender offer, the Company is soliciting consents for certain proposed amendments to the indenture pursuant to which the 9% senior subordinated notes were issued. The Company expects to fund the repurchase with the net proceeds received from NCM in connection with the consummation of its initial public offering and modification of certain agreements with NCM.

On March 14, 2007, Cinemark USA, Inc. amended its new senior secured credit facility to, among other things, modify the interest rate on the term loans under the new senior secured credit facility, modify certain prepayment terms and covenants, and facilitate the tender offer for the 9% senior subordinated notes. The term loans now accrue 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 0.50% to 0.75% per annum, or (B) a "Eurodollar rate" plus a margin that ranges from 1.50% to 1.75%, per annum. In each case the margin is a function of the corporate credit rating applicable to the borrower. The interest rate on the revolving credit line was not amended. Additionally, the amendment removed any obligation to prepay amounts outstanding under the new senior secured credit facility in an amount equal to the amount of the net cash proceeds received from the NCM transactions or from excess cash flows, and imposed a 1% prepayment premium for one year on certain prepayments of the term loans. The amendment was a condition precedent to the consummation of the tender offer for the senior subordinated notes.

Schedule I — Condensed Financial Information of Registrant

Cinemark Holdings, Inc.

Parent Company Balance Sheet
(In thousands, except share amounts)

	December 31, 2006
ASSETS	
Cash and cash equivalents	$ —
Accounts receivable from affiliates	35
Investment in subsidiaries	674,935
	$ 674,970
LIABILITIES	$ —
STOCKHOLDERS' EQUITY	
Class A common stock, $0.001 par value: 40,000,000 shares authorized, 31,286,338 shares issued and outstanding	31
Additional paid-in-capital	682,631
Retained earnings (deficit)	(7,692)
Total stockholders' equity	674,970
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 674,970

The accompanying notes are an integral part of these financial statements.

Cinemark Holdings, Inc

Parent Company Statement of Operations
(In thousands)

	For the Period From October 5, 2006 to December 31, 2006
Revenues	$ —
Costs and expenses	—
Equity losses of subsidiaries	(7,692)
Net loss	$ (7,692)

The accompanying notes are an integral part of these financial statements.

Cinemark Holdings, Inc
Parent Company Statement of Stockholders' Equity
For the Period from October 5, 2006 to December 31, 2006
(in thousands)

	Class A Common Stock Shares Issued	Class A Common Stock Amount	Additional Paid-in Capital	Retained Earnings (Deficit)	Total
Balance at October 5, 2006	—	$ —	$ —	$ —	$ —
Shares issued as a result of the Cinemark Share Exchange	27,896	28	532,599	—	532,627
Shares issued as a result of the Century Acquisition	3,388	3	149,997	—	150,000
Shares issued as a result of option exercises	2	—	35	—	35
Net loss	—	—	—	(7,692)	(7,692)
Balance at December 31, 2006	31,286	$ 31	$ 682,631	$ (7,692)	$ 674,970

The accompanying notes are an integral part of these financial statements.

Cinemark Holdings, Inc

Parent Company Statement of Cash Flows
(In thousands)

	For the Period From October 5, 2006 to December 31, 2006
Net loss	$ (7,692)
OPERATING ACTIVITIES	
Noncash items to reconcile net loss to cash flows from operating activities:	
Equity loss in subsidiaries	7,692
Net cash provided by operating activities	—
INVESTING ACTIVITIES	
Net cash used for investing activities	—
FINANCING ACTIVITIES	
Net cash used for financing activities	—
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	—
CASH AND CASH EQUIVALENTS:	
Beginning of period	—
End of period	$ —

The accompanying notes are an integral part of these financial statements.

Cinemark Holdings, Inc.

Notes to Parent Company Financial Statements
(In thousands)

1. Basis of Presentation

On August 2, 2006, Cinemark Holdings, Inc. ("Cinemark Holdings") was formed as the Delaware holding company of Cinemark, Inc. Cinemark, Inc. is the holding company of Cinemark USA, Inc. On August 7, 2006, Cinemark USA, Inc., entered into the following agreements in which it agreed to acquire Century Theatres, Inc. ("Century") for a purchase price of approximately $681,225 and the assumption of debt of Century of approximately $360,000.

- Cinemark USA, Inc., Century and Syufy Enterprises, LP ("Syufy") entered into a definitive stock purchase agreement, dated August 7, 2006 (the "Purchase Agreement"), pursuant to which CUSA agreed to acquire approximately 77% of the issued and outstanding capital stock of Century.

- Syufy entered into a stock contribution and exchange agreement, dated August 7, 2006 (the "Contribution Agreement"), with Cinemark Holdings, pursuant to which Syufy has agreed to contribute the remaining shares of capital stock of Century to Cinemark Holdings, Inc. in exchange for shares of Cinemark Holdings, Inc. upon the consummation of the transactions contemplated by the Purchase Agreement. Of the total purchase price, $150,000 consisted of the issuance of shares of Class A common stock of Cinemark Holdings:

- The current stockholders of Cinemark, Inc. entered into a share exchange agreement (the "Exchange Agreement") pursuant to which the stockholders agreed to, prior to the consummation of the transactions contemplated by the Purchase Agreement and the Contribution Agreement, exchange their shares of Class A common stock of Cinemark, Inc. for an equal number of shares of Class A common stock of Cinemark Holdings.

Upon closing of the transactions contemplated by the Purchase Agreement, the Contribution Agreement and the Exchange Agreement, Syufy will own approximately 10.8% of the issued and outstanding shares of Class A common stock of Cinemark Holdings. The stockholders party to the Exchange Agreement will own the remaining 89.2% of the issued and outstanding shares of Class A common stock of Cinemark Holdings. The stockholders party to the Exchange Agreement include, among others, Lee Roy Mitchell, the Company's Chairman, The Mitchell Special Trust, a trust in which Mr. Mitchell is co-trustee, certain of the Company's executive officers, Madison Dearborn Capital Partners IV, LP, the Company's majority stockholder, Quadrangle Select Partners LP, Quadrangle Capital Partners A LP, Quadrangle (Cinemark) Capital Partners LP and Quadrangle Capital Partners LP.

The transactions contemplated by the Purchase Agreement, the Contribution Agreement and the Exchange Agreement closed on October 5, 2006.

Cinemark Holdings conducts substantially all of its operations through its subsidiaries. There are significant restrictions over Cinemark Holdings ability to obtain funds from its subsidiaries through dividends, loans or advances. Accordingly, these financial statements have been presented on a "parent-only" basis.

2. Long-Term Debt

Cinemark Holdings has no direct outstanding debt obligations, but its subsidiaries do. For a discussion of the debt obligations of Cinemark Holdings subsidiaries, see Note 12 to the Company's notes to the consolidated financial statements included elsewhere in this prospectus.

3. Capital Stock

Cinemark Holdings capital stock along with its 2006 long-term incentive plan is discussed in Note 16 of its consolidated financial statements included elsewhere in this prospectus.

4. Commitments and Contingencies

Cinemark Holdings has no direct commitments and contingencies, but its subsidiaries do. See Note 19 of its consolidated financial statements included elsewhere in this prospectus.

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.

(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.

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%

(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

(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)

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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	$	40,500
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 (incorporated by reference to Exhibit 4.4 to Cinemark Holdings, Inc.'s Registration Statement on Form S-1, File No. 333-140390, filed February 1, 2007).

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Number	Exhibit Title
4.5	Registration Agreement, dated as of August 7, 2006, effective October 5, 2006, by and among Cinemark Holdings, Inc. and the stockholders thereto (incorporated by reference to Exhibit 4.5 to Cinemark Holdings Inc.'s Registration Statement on Form S-1, File No. 333-140390, filed February 1, 2007).
**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).
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).
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+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).

Number	Exhibit Title
+10.5(j)	First Amendment to Employment Agreement, dated January 25, 2007, between Cinemark, Inc. and Robert Copple (incorporated by reference to Exhibit 10.5(j) to Cinemark Holdings, Inc.'s Registration Statement on Form S-1, File No. 333-140390, filed February 1, 2007).
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)	First Amendment to Credit Agreement dated as of March 14 2007 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 thereto, 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.
10.6(c)	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 (incorporated by reference to Exhibit 10.7(a) to Cinemark Holdings, Inc.'s Registration Statement on Form S-1, File No. 333-140390, filed February 1, 2007).
+10.7(b)	Form of Stock Option Agreement (incorporated by reference to Exhibit 10.7(b) to Cinemark Holdings, Inc.'s Registration Statement on Form S-1, File No. 333-140390, filed February 1, 2007).
*10.8	Exhibitor Services Agreement, dated as of February 13, 2007, by and between National CineMedia, LLC. and Cinemark USA, Inc.
*10.9	Third Amended and Restated Limited Liability Company Operating Agreement, dated as of February 12, 2007, by and between Cinemark Media, Inc., American Multi-Cinema, Inc., Regal CineMedia, LLC and National CineMedia, Inc.
21	Subsidiaries of the registrant (incorporated by reference to Exhibit 21 to Cinemark Holdings, Inc.'s Registration Statement on Form S-1, File No. 333-140390, filed February 1, 2007).
*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 Cinemark Holdings, Inc.'s Registration Statement on Form S-1, File No. 333-140390, filed February 1, 2007).

* Filed herewith.

** To be filed by amendment.

\+ Management contract, compensatory plan or arrangement.

(b) The following financial statement schedule is filed herewith:

Schedules included in the F pages.

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 March 16, 2007.

CINEMARK HOLDINGS, INC.

By: /s/ ALAN W. STOCK
Alan W. Stock, *Chief Executive Officer*

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
* Lee Roy Mitchell	Chairman of the Board of Directors and Director	March 16, 2007
/s/ ALAN W. STOCK Alan W. Stock	Chief Executive Officer (principal executive officer)	March 16, 2007
/s/ ROBERT COPPLE Robert Copple	Executive Vice President; Treasurer and Chief Financial Officer (principal financial and accounting officer)	March 16, 2007
* Benjamin D. Chereskin	Director	March 16, 2007
* James N. Perry, Jr.	Director	March 16, 2007
* Robin P. Selati	Director	March 16, 2007
* Vahe A. Dombalagian	Director	March 16, 2007
* Peter R. Ezersky	Director	March 16, 2007
* Enrique F. Senior	Director	March 16, 2007
* Raymond W. Syufy	Director	March 16, 2007
* Joseph E. Syufy	Director	March 16, 2007

*By: /s/ MICHAEL CAVALIER
Michael Cavalier
Attorney-in-Fact

EXHIBIT INDEX

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* Filed herewith.

** To be filed by amendment.

\+ Management contract, compensatory plan or arrangement.

EXHIBIT 10.6(b)

FIRST AMENDMENT

FIRST AMENDMENT, dated as of March 14, 2007 (this "Amendment") to the CREDIT AGREEMENT, dated as of October 5, 2006 (as amended, supplemented or otherwise modified from time to time, the "Credit Agreement"), among Cinemark Holdings, Inc., Cinemark, Inc., CNMK Holding, Inc., Cinemark USA, Inc. (together with any of its permitted successors and assigns, the "Borrower"), the several banks and other financial institutions or entities from time to time parties thereto (the "Lenders"), Lehman Brothers Inc. and Morgan Stanley Senior Funding, Inc., as joint lead arrangers and joint bookrunners (in such capacities, the "Arrangers"), Morgan Stanley Senior Funding, Inc., as syndication agent (in such capacity, the "Syndication Agent"), BNP Paribas and General Electric Capital Corporation, as co-documentation agents (in such capacities, the "Co-Documentation Agents"), and Lehman Commercial Paper Inc., as administrative agent (in such capacity, the "Administrative Agent").

W I T N E S S E T H:

WHEREAS, pursuant to the Credit Agreement, the Lenders have agreed to make, and have made, certain loans and other extensions of credit to the Borrower;

WHEREAS, the Borrower has requested that certain provisions of the Credit Agreement be amended as set forth below;

WHEREAS, the Lenders and Agents are willing to agree to such amendments but only on the terms and conditions contained in this Amendment;

NOW, THEREFORE, the parties hereto hereby agree as follows:

SECTION 1. Defined Terms. (a) Terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

(b) As used in this Amendment, the terms listed in this Section 1(b) shall have the respective meanings set forth in this Section 1(b).

"Consolidated Net Leverage Ratio": as of the last day of any period of four consecutive fiscal quarters of the Parent, the ratio of (a) the aggregate principal amount of all Funded Debt (excluding Capital Lease Obligations outstanding on the relevant date of determination in an aggregate amount not to exceed $200,000,000) of the Parent, Holdings, Intermediate Holdings, the Borrower and its Restricted Subsidiaries on such day less the aggregate amount of cash and Cash Equivalents owned by such entities on such day (in each case, free and clear of all Liens (other than Liens permitted under Sections 7.3(a), (h), (j) or (n))), determined on a consolidated basis in accordance with GAAP, to (b) Consolidated EBITDA of the Borrower and its Restricted Subsidiaries for such period.

"Requisite Conditions": the collective reference to the following conditions: (i) the initial public offering of the common stock of the Parent shall have been consummated, (ii) the Consolidated Net Senior Secured Leverage Ratio shall be less than 4.50 to 1.00, (iii) the pro forma Consolidated Net Leverage Ratio after giving effect to the consummation of the initial public offering of the common stock of the Parent and the use of proceeds thereof shall be less than 4.75 to 1.00 and (iv) the conditions set forth in Section 5.2 of the Credit Agreement shall have been satisfied.

SECTION 2. Amendment to Section 1.1 (Defined Terms). Section 1.1 of the Credit Agreement is hereby amended as follows:

(a) The defined term "Applicable Margin" is hereby amended by deleting the references to "1.00%" and "2.00%" with respect to the Term Loan Facility and inserting in lieu thereof "0.75%" and "1.75%", respectively.

(b) The defined term "Revolving Credit Termination Date" is hereby amended by adding "or has not been repurchased or redeemed as permitted hereunder" before the period at the end of such defined term.

(c) The following defined terms are hereby added to Section 1.1 of the Credit Agreement in proper alphabetical order:

"First Amendment": the First Amendment to this Agreement, dated as of the First Amendment Effective Date.

"First Amendment Effective Date": March 14, 2007.

(d) Immediately upon the satisfaction of the Requisite Conditions, the following term shall be added to Section 1.1 of the Credit Agreement in proper alphabetical order:

"Consolidated Total Leverage Ratio": as of the last day of any period of four consecutive fiscal quarters of the Parent, the ratio of (a) the aggregate principal amount of all Funded Debt of the Parent, Holdings, Intermediate Holdings, the Borrower and its Restricted Subsidiaries on such day, determined in accordance with GAAP, to (b) Consolidated EBITDA of the Borrower and its Restricted Subsidiaries for such period.

(e) The defined term "Applicable Amount" is hereby amended by deleting such term in its entirety and inserting the following in lieu thereof:

" "Applicable Amount": as of any date of determination (the "Determination Date"), the amount (but in no event less than zero) equal to (a) the sum of (i) the aggregate amount of cash and the fair market value of non-cash items received by the Parent or the Borrower as common equity after the Closing Date and on or prior to such Determination Date, (ii) the amount of the net reduction after the Closing Date and on or prior to such Determination Date, in Investments held by the Parent, Holdings, Intermediate Holdings, the Borrower and its Class I Restricted Subsidiaries in Class II Restricted Subsidiaries, Unrestricted Subsidiaries and other entities that are not Class I Restricted Subsidiaries made after the Closing Date resulting from proceeds realized on the sale or other Disposition of such Investments, proceeds representing the return of capital, including redemptions, dividends and distributions, the amount of all guarantees released, all payments of principal of, or interest on, Indebtedness and other obligations that constitute such Investments, and the fair market value (not in excess of the amount previously subtracted under clause (b)(ii) below) of any Unrestricted Subsidiary redesignated as a Class I Restricted Subsidiary, (iii) (A) at any time prior to the time when the Requisite Conditions (as defined in the First Amendment) have been satisfied, Consolidated EBITDA minus 2.00 times Consolidated Interest Expense and (B) immediately upon the satisfaction of the Requisite Conditions and at all times thereafter, Consolidated EBITDA minus 1.75 times Consolidated Interest Expense, in each case in this clause (iii) for the fiscal quarter in which the Closing Date occurs and for each full fiscal quarter completed since the Closing Date and prior to the Determination Date for which financial statements have been delivered pursuant to Section 6.1(a)or 6.1(b), as applicable, (iv) to the extent deducted in computing the Consolidated EBITDA specified in clause (iii) above and not included in clause (ii) above, any net gains on sales of assets outside the ordinary course of business (including, without limitation, any such gains that are extraordinary gains), (v) $150,000,000 and (vi) (A) in the case of expenditures made pursuant to Sections 7.7(c) and 7.8(h) and the designation on or after the Closing Date of any Class I Restricted Subsidiaries of the Parent as Unrestricted Subsidiaries, $275,000,000 in the aggregate, and (B) in the case of expenditures made pursuant to Section 7.9(a)(i), $200,000,000 in the aggregate, minus (b) the sum of (i) the portion of such sum expended on and after the Closing Date and on or prior to such Determination Date pursuant to Sections 7.6(j), 7.7(c) and 7.8(h), (ii) the portion of such sum expended on and after the First Amendment Effective Date and on or prior to such Determination Date pursuant to Section 7.9(a)(i) (after giving effect to the amendment to such provision that became effective as of the First Amendment Effective Date), and (iii) the fair market value (as of the date of such designation) of any Class I Restricted Subsidiaries of the Parent designated as Unrestricted Subsidiaries on or after the Closing Date. Expenditures made pursuant to Sections 7.7(c), 7.8(h) and 7.9(a)(i) and in connection with the designation of a Class I Restricted Subsidiary as an Unrestricted Subsidiary shall be deemed to utilize the amounts in clause (vi)(A) above or (vi)(B) above, as applicable, prior to utilization of the amounts in clauses (i) through (v) above. Expenditures made pursuant to Section 7.9(a)(i) as in effect prior to the First Amendment Effective Date shall be deemed to have not decreased, expended or utilized the Applicable Amount or any component thereof.”.

(f) Section 1.1 of the Credit Agreement is hereby amended by deleting the defined terms “ECF Percentage,” “Excess Cash Flow” and “Excess Cash Flow Application Date”.

SECTION 3. Amendments to Section 2.3 (Repayment of Term Loans). Section 2.3(b) of the Credit Agreement is hereby amended by adding “or has not been repurchased or redeemed as permitted hereunder” before the period at the end of such Section.

SECTION 4. Amendments to Section 2.9 (Optional Prepayments). Section 2.9 is hereby amended by adding the following new sentence at the end thereof:

“Notwithstanding anything to the contrary in this Section 2.9, any optional prepayment of the Term Loans made after the First Amendment Effective Date and on or prior to the first anniversary of the First Amendment Effective Date with the proceeds of a substantially concurrent issuance or incurrence of new term loans which (a) are incurred for the primary purpose of refinancing the Term Loans and decreasing the Applicable Margin with respect thereto and (b) otherwise have terms and conditions (and are in an aggregate principal amount) substantially the same as those of the Term Loans, shall be subject to a prepayment premium of 1% of the aggregate amount of such prepayment.”

SECTION 5. Amendments to Section 2.10 (Mandatory Prepayments).

(a) Section 2.10(c) of the Credit Agreement is hereby amended by deleting such Section in its entirety and inserting in lieu thereof “Reserved.”

(b) Section 2.10(d) of the Credit Agreement is hereby amended by deleting such Section in its entirety and inserting in lieu thereof “Reserved.”

SECTION 6. Amendment to Section 6 (Affirmative Covenants).

(a) Amendment to Section 6.9 (Additional Collateral, etc.). Section 6.9(b) of the Credit Agreement is hereby amended by adding the following sentence at the end of such Section:

"Notwithstanding the foregoing, the Parent, Holdings, Intermediate Holdings, the Borrower and the Subsidiary Guarantors may elect not to comply with this Section 6.9(b) with respect to leasehold interests in real property acquired after the Closing Date that are subject to leases which do not permit the granting of a mortgage in favor of the Administrative Agent, to the extent that such leasehold interests have an aggregate value, measured at the time of any such election, not in excess of $75 million (valued in accordance with Schedule 6.9)."

(b) Amendment to Section 6.13 (Maintenance of Fee Owned Properties). Section 6.13 is hereby amended by deleting such Section in its entirety and inserting the following in lieu thereof:

"6.13 Maintenance of Fee-Owned Properties. At all times cause the aggregate value of all fee-owned real property of the Borrower and the Class I Restricted Subsidiaries subject to a Mortgage to be at least $300,000,000 minus the aggregate amount of the Net Cash Proceeds of Sale and Leaseback Transactions, Asset Sales and Recovery Events with respect to fee-owned real properties after the Closing Date, such value to be determined in accordance with Schedule 6.9 and demonstrated to the reasonable satisfaction of the Administrative Agent."

SECTION 7. Amendments to Section 7 (Negative Covenants).

(a) Amendment to Section 7.1 (Financial Condition Covenant). Immediately upon the satisfaction of the Requisite Conditions, Section 7.1 of the Credit Agreement shall be amended by deleting such Section in its entirety and inserting the following in lieu thereof:

"Consolidated Net Senior Secured Leverage Ratio. Unless the Majority Revolving Credit Facility Lenders shall otherwise consent in writing, at any time that any Revolving Loans are outstanding, permit the Consolidated Net Senior Secured Leverage Ratio for any period of four consecutive fiscal quarters ending with any fiscal quarter to exceed 4.25 to 1.0."

(b) Amendment to Section 7.2 (Limitation on Indebtedness). Immediately upon the satisfaction of the Requisite Conditions, Section 7.2(g)(ii) of the Credit Agreement shall be amended by deleting clause (w) therein in its entirety and inserting the following in lieu thereof:

"(w) immediately prior to and after giving effect to the incurrence of such Indebtedness, the Consolidated Senior Secured Leverage Ratio shall not be greater than 4.50 to 1.00."

(c) Amendment to Section 7.9 (Limitation on Optional Payments and Modifications of Debt Instruments). Section 7.9 of the Credit Agreement is hereby amended by deleting such Section in its entirety and inserting the following in lieu thereof:

"7.9 Limitation on Optional Payments and Modifications of Senior Discount Notes; Amendments to Certificate of Incorporation. (a) Except as permitted by Section 7.2(g) or (o), make or offer to make any optional or voluntary payment, prepayment, repurchase or redemption of, or otherwise voluntarily or optionally defease, the Senior Discount Notes (except that (i) Holdings or the Borrower may repurchase or redeem the Senior Discount Notes, provided that, the aggregate accreted amount of the Senior Discount Notes repurchased or redeemed after the Closing Date pursuant to this clause (i) shall not exceed the Applicable Amount at the time of, and immediately prior to the making of, any such repurchase or redemption and (ii) if at any time, (A) the Consolidated Senior Secured Leverage Ratio as of the most recent quarter end for which financial statements have been delivered to the Agents pursuant to Section 6.1 is not greater than 4.50 to 1.00 and (B) the Consolidated Total Leverage Ratio as of the most recent quarter end for which financial statements have been delivered to the Agents pursuant to Section 6.1 is not greater than 5.50 to 1.00, Holdings or the Borrower may repurchase or redeem the Senior Discount Notes), or segregate funds (except in connection with a repurchase, redemption or defeasance permitted by the preceding parenthetical) for any such payment, prepayment, repurchase, redemption or defeasance, or enter into any derivative or other transaction with any Derivatives Counterparty obligating the Parent, Holdings, Intermediate Holdings, the Borrower or any Class I Restricted Subsidiary to make payments to such Derivatives Counterparty as a result of any change in market value of the Senior Discount Notes, (b) amend, modify or otherwise change, or consent or agree to any amendment, modification, waiver or other change to, any of the terms of the Senior Discount Notes (other than any such amendment, modification, waiver or other change which (A) would extend the maturity or reduce the amount of any payment of principal thereof, reduce the rate or extend the date for payment of interest thereon or relax any covenant or other restriction applicable to the Parent, Holdings, Intermediate Holdings, the Borrower or any of its Class I Restricted Subsidiaries or (B) does not require the consent of any holder of the Senior Discount Notes to (i) cure any ambiguity, defect or inconsistency or (ii) comply with the requirements of the SEC in order to effect or maintain the qualification of the Senior Discount Note Indenture under the TIA (as defined therein)) or (c) amend its certificate of incorporation in any manner reasonably determined by the Administrative Agent to be material and adverse to the Lenders.

SECTION 8. Amendments to Annex A (Pricing Grid). The Pricing Grid for Term Loans set forth on Annex A to the Credit Agreement is hereby amended by deleting such Pricing Grid in its entirety and inserting in lieu thereof the following:

PRICING GRID FOR TERM LOANS

	Applicable Margin for Term Loans	
Ratings Category	Eurodollar Loans	Base Rate Loans
Category I	1.50%	0.50%
Category II	1.75%	0.75%

Changes in the Applicable Margin resulting from a change in the corporate credit rating of the Borrower or Holdings, as applicable, after the first Adjustment Date shall become effective on the date on which Moody’s or S&P changes the corporate credit rating it has issued with respect to the Borrower or Holdings, as applicable, and shall remain in effect until the next change to be effected pursuant to this paragraph. Notwithstanding anything to the contrary herein, if at any time a corporate credit rating of the Borrower or Holdings, as applicable, is not issued by either Moody’s or S&P, the Applicable Margin during such time with respect to the Term Loans shall be (a) 1.75% in the case of Eurodollar Loans and (b) 0.75% in the case of Base Rate Loans.

For purposes of the Pricing Grid for Term Loans, the following terms shall have the following meanings:

“Category I”: the corporate credit rating of the Borrower or Holdings, as applicable, shall be Ba3 or better by Moody’s and B+ or better by S&P.

“Category II”: the corporate credit rating of the Borrower or Holdings, as applicable, by Moody’s and S&P shall be anything other than the ratings set forth in Category I.

SECTION 9. Conditions to Effectiveness of Amendment. The amendments set forth herein shall become effective on the date upon which each of the following conditions precedent have been satisfied or waived:

(i) The Administrative Agent (or its counsel) shall have received a counterpart of this Amendment, executed and delivered by a duly authorized officer of the parties hereto and executed consents to this Amendment substantially in the form of Exhibit A hereto from the Majority Revolving Credit Facility Lenders and each of Term Loan Lenders;

(ii) After giving effect to this Amendment, no Default or Event of Default shall have occurred and be continuing; and

(iii) All expenses required to be paid to the Administrative Agent for which invoices supported by customary documentation have been presented to the Borrower shall have been paid.

SECTION 10. Representations and Warranties. Each of the representations and warranties made by any Loan Party in or pursuant to the Loan Documents shall be true and correct in all material respects on and as of the date hereof as if made as of the date hereof, except for representations and warranties expressly stated to relate to a specific earlier date, in which case such representations and warranties were true and correct in all material respects as of such earlier date.

SECTION 11. Payment of Expenses. The Borrower agrees to pay or reimburse the Administrative Agent for all of its reasonable documented out-of-pocket costs and expenses incurred in connection with this Amendment, any other documents prepared in connection herewith and the transactions contemplated hereby, including, without limitation, the reasonable fees and disbursements of counsel to the Administrative Agent.

SECTION 12. Effect on the Loan Documents. Except as specifically amended or provided for above, (i) the Credit Agreement and all other Loan Documents shall continue to be in full force and effect and are hereby in all respects ratified and confirmed and (ii) the execution, delivery and effectiveness of this Amendment shall not operate as a waiver of any right, power or remedy of any Lender or the Administrative Agent under any of the Loan Documents, nor constitute a waiver of any provision of any of the Loan Documents except as specified herein.

SECTION 13. GOVERNING LAW. THIS AMENDMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HERETO SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

SECTION 14. Execution in Counterparts. This Amendment may be executed by one or more of the parties to this Amendment on any number of separate counterparts, and all of said counterparts taken together shall be deemed to constitute one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed and delivered by their respective proper and duly authorized officers as of the day and year first above written.

CINEMARK HOLDINGS, INC.

By: /s/ Michael Cavalier
Michael Cavalier
Its Senior Vice President-General Counsel

CINEMARK, INC.

By: /s/ Michael Cavalier
Michael Cavalier
Its Senior Vice President-General Counsel

CNMK HOLDING, INC.

By: /s/ Michael Cavalier
Michael Cavalier
Its Senior Vice President-General Counsel

CINEMARK USA, INC.

By: /s/ Michael Cavalier
Michael Cavalier
Its Senior Vice President-General Counsel

LEHMAN COMMERCIAL PAPER INC., as Administrative Agent and Lender

By: /s/ Craig Malloy
Craig Malloy
Its Authorized Signatory

EXHIBIT 10.8

NOTE: THIS DOCUMENT IS THE SUBJECT OF A CONFIDENTIAL TREATMENT REQUEST PURSUANT TO RULE 24b-2 UNDER THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED. PORTIONS OF THIS DOCUMENT FOR WHICH CONFIDENTIAL TREATMENT HAS BEEN REQUESTED HAVE BEEN REDACTED AND ARE MARKED HEREIN BY "*". SUCH REDACTED INFORMATION HAS BEEN FILED SEPARATELY WITH THE COMMISSION PURSUANT TO THE CONFIDENTIAL TREATMENT REQUEST.**

EXHIBITOR SERVICES AGREEMENT

BETWEEN NATIONAL CINEMEDIA, LLC AND CINEMARK USA, INC.

DATED AS OF FEBRUARY 13, 2007

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EXHIBITOR SERVICES AGREEMENT

THIS EXHIBITOR SERVICES AGREEMENT (this "Agreement") is entered into and effective as of February 13, 2007 (the "Effective Date") by and between National CineMedia, LLC, a Delaware limited liability company ("LLC"), and Cinemark USA, Inc., a Texas corporation ("Cinemark," and with LLC, each a "Party" and collectively, the "Parties").

BACKGROUND

WHEREAS, American Multi-Cinema, Inc. ("AMC"), Regal CineMedia Holdings, LLC ("RCH") and Cinemark Media, Inc. ("Cinemark Media"), are parties to that certain Third Amended and Restated Limited Liability Company Operating Agreement, dated of even date herewith (the "LLC Agreement"), which shall govern the rights and obligations of AMC, RCH and Cinemark Media (collectively, the "Founding Members") and National CineMedia, Inc. ("National CineMedia") as Members in LLC and their ownership of certain Common Units (as defined in the LLC Agreement) in LLC; and

WHEREAS, pursuant to the LLC Agreement, LLC will operate a Digital Content Network (as defined below), which has the capabilities to provide the Founding Members the Digital Content Service, the Digital Programming Services and the Meeting Services (each as defined below) pursuant to the terms and conditions herein; and

WHEREAS, Cinemark participates in the Digital Content Network through its Theatres; and

WHEREAS, LLC and Cinemark desire to enter into a service arrangement pursuant to which LLC will provide the Advertising Services (as defined below), including the Digital Content Service and the Traditional Content Program, the Digital Programming Services and the Meeting Services to Cinemark theatres, and Cinemark will accept the Advertising Services, the Digital Programming Services and the Meeting Services in such theatres, all on the terms and conditions set forth herein; and

WHEREAS, LLC and Cinemark anticipate that this service arrangement will, among other accomplishments, improve both the movie-going experience of theatre patrons and the ability of national, regional and local advertisers to reach their target consumers.

NOW, THEREFORE, in consideration of the premises and mutual covenants in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby expressly acknowledged, and, intending to be legally bound hereby, the Parties hereto agree as follows:

ARTICLE 1

DEFINITIONS

Section 1.01 Definitions. Within the context of this Agreement, the following terms shall have the following meanings:

"**4.03 Revenue**" has the meaning assigned to it in Section 4.03.

"**Acceptance Notice**" has the meaning assigned to it in Section 9.03(c).

"**Acquisition Theatre(s)**" has the meaning assigned to it in Section 2.02(b).

"**Additional Lobby Promotion**" has the meaning assigned to it in Section 4.02(a)(i).

"**Administrative Agent**" means Lehman Commercial Paper Inc., as administrative agent under the LLC Credit Agreement and any successors and assignees in accordance with the terms of the LLC Credit Agreement.

"**Administrative Fee**" means the fee for services provided by LLC as requested by Cinemark in connection with delivery of content to Theatres.

"**Advertising Services**" means the advertising and promotional services (including the Digital Content Service, the Digital Carousel, the Traditional Content Program, Lobby Promotions and Event Sponsorships) as described in Part A of Exhibit A hereto.

"**Affiliate**" means with respect to any Person, any Person that directly or indirectly, through one or more intermediaries Controls, is Controlled by or is under common Control with such Person. Notwithstanding the foregoing, (i) no Member shall be deemed an Affiliate of LLC, (ii) LLC shall not be deemed an Affiliate of any Member, (iii) no stockholder of REG, or any of such stockholder's Affiliates (other than REG and its Subsidiaries) shall be deemed an Affiliate of any Member or LLC, (iv) no stockholder of Marquee Holdings, or any of such stockholder's Affiliates (other than Marquee Holdings and its Subsidiaries) shall be deemed an Affiliate of any Member or LLC, (v) no stockholder of Cinemark Holdings, or any of such stockholder's Affiliates (other than Cinemark Holdings and its Subsidiaries) shall be deemed an Affiliate of any Member or LLC, (vi) no stockholder of National CineMedia shall be deemed an Affiliate of National CineMedia, and (vii) National CineMedia shall not be deemed an Affiliate of any stockholder of National CineMedia.

"**Aggregate Advertising Revenue**" means, for the applicable measurement period, the total revenue, in the form of cash and non-cash consideration, payable to LLC for Advertising Services, excluding revenue payable to LLC related to (i) Event Sponsorship, (ii) Advertising Services provided to third parties that are not Founding Members, and (iii) Advertising Services provided to Founding Members outside the provisions of this Agreement pursuant to a written agreement between LLC and such Founding Members.

"**Agreement**" has the meaning assigned to it in the preamble of this Agreement, as the same may be amended, supplemented or otherwise modified from time to time.

"**Alternative Agreement**" has the meaning assigned to it in Section 9.03(a).

"**AMC**" has the meaning assigned to it in the recitals to this Agreement.

"**AMC Exhibitor Agreement**" means the Exhibitor Services Agreement between LLC and AMC, dated of even date herewith, as the same may be amended, supplemented or otherwise modified from time to time.

"AMC Theatre" means any "Theatre" as defined in the AMC Exhibitor Agreement.

"Assignment and Assumption" has the meaning assigned to it in Section 15.08.

"**Bankruptcy Code**" means Title 11 of the United States Code (11 U.S.C. §101 et seq.), as amended from time to time.

"**Beverage Agreement**" means the Marketing, Advertising and Brand Presence Agreement by and between Cinemark and The Coca-Cola Company, dated as of May 16, 2003, and all exhibits and amendments thereto, as such agreement may be amended from time to time, and any subsequent agreements entered into by Cinemark and its beverage concessionaires at the expiration or termination of the agreement referenced above which is in effect on the Effective Date.

"**Beverage Agreement Advertising Rate**" has the meaning assigned to it in Section 4.06(a).

"**Beverage Compliance Report**" has the meaning assigned to it in Section 4.10(b)(i).

"**Brand**" has the meaning assigned to it in Section 4.05.

"**Branded Slots**" has the meaning assigned to it in Section 4.05.

"Church Worship Service" means a Meeting Event sold to a non-profit religious organization.

"**Cinemark**" has the meaning assigned to it in the preamble of this Agreement.

"**Cinemark Derived Works**" has the meaning assigned to it in Section 13.02(b).

"**Cinemark Equipment**" means the Equipment owned by Cinemark.

"**Cinemark Holdings**" means Cinemark Holdings, Inc. or its successor or any Person that wholly owns Cinemark Holdings, directly or indirectly, in the future.

"**Cinemark Information**" means all Confidential Information supplied by Cinemark and its Affiliates.

"**Cinemark Initial ESA Modification Payment**" has the meaning assigned to it in Section 2.05(a)(i).

"**Cinemark Legacy Agreement(s)**" means all pre-Effective Date agreements of Cinemark or its Affiliates, including without limitation such agreements relating to the purchase of advertising in Acquisition Theatres, pursuant to which services which fall within the definition of Advertising Services are provided and which are expected to result in the generation of revenue payable to Cinemark or its Affiliates on and after the Effective Date, but excluding the Beverage Agreement, agreements with third-party cinema advertising service providers (which give rise to Run-Out Obligations pursuant to Section 4.08) and agreements between Cinemark or its Affiliates and any theatres owned by third parties (including other Members or their Affiliates) regarding the exhibition of content, advertisements or promotions in such third-party theatres.

"**Cinemark Marks**" means the trademarks, service marks, logos, slogans and/or designs owned by Cinemark or otherwise contributed by Cinemark for use under this Agreement, in any and all forms, formats and styles, including as may be used in the Brand (as defined herein), as may be modified from time-to-time all as notified to LLC from time-to-time by Cinemark.

"**Cinemark Media**" has the meaning assigned to it in the recitals to this Agreement.

"**Cinemark Property**" has the meaning assigned to it in Section 13.01(b).

"**Cinemark Quality Standards**" has the meaning assigned to it in Section 7.03(c).

"**Client Limitation**" has the meaning assigned to it in Section 4.07(b)(i).

"Common Unit Adjustment" has the meaning assigned to it in the LLC Agreement.

"Common Units" has the meaning assigned to in the LLC Agreement.

"**Concessions**" means popcorn, candy, and other food and beverage items sold at the concession stands in Theatres.

"**Confidential Information**" means all documents and information concerning any other Party hereto furnished it by such other Party or its representatives in connection with the transactions contemplated by this Agreement (together with confidential information, including but not limited to Intellectual Property and other Proprietary Information of the other Members and LLC), and shall include, by way of example and not limitation, the LLC Property, the Cinemark Property, the LLC Derived Works and the Cinemark Derived Works. Confidential Information shall also include all Confidential Information supplied by the Members and their Affiliates. Notwithstanding the foregoing, Confidential Information shall not include any information that can be shown to have been (i) previously known by the Party to which it is furnished lawfully and without breaching or having breached an obligation of such Party or the disclosing Party to keep such documents and information confidential, (ii) in the public domain through no fault of the disclosing Party, or (iii) independently developed by the disclosing Party without using or having used the Confidential Information.

"**Control**" (including the terms "**Controlled by**" and "**under common Control with**"), with respect to the relationship between or among two or more Persons, means the possession, directly or indirectly, of the power to direct or cause the direction of the affairs or management of a Person, whether through the ownership of voting securities, as trustee or executor, by contract or otherwise.

"**Costs**" has the meaning assigned to it in Section 11.01(a).

“**CPI**” means the monthly index of the U.S. City Average Consumer Price Index for Urban Wage Earners and Clerical Workers (All Items; 1982-84 equals 100) published by the United States Department of Labor, Bureau of Labor Statistics or any successor agency that shall issue such index. In the event that the CPI is discontinued for any reason, LLC shall use such other index, or comparable statistics, on the cost of living for urban areas of the United States, as shall be computed and published by any agency of the United States or, if no such index is published by any agency of the United States, by a responsible financial periodical of recognized authority.

“**CPI Adjustment**” means the quotient of (i) the CPI for the month of January in the calendar year for which the CPI Adjustment is being determined, divided by (ii) the CPI for January of 2007.

“**Creative Services**” has the meaning assigned to it in Exhibit B.

“**Designated Services**” has the meaning assigned to it in Section 9.03(a).

“**Digital Carousel**” means a loop of slide advertising with minimal branding and entertainment content which (i) is displayed before the Pre-Feature Program in Digitized Theatres via the Digital Content Network and (ii) is displayed before the Traditional Content Program in Non-Digitized Theatres via a non-digital slide projector.

“**Digital Cinema Services**” means services related to the digital playback and display of feature films at a level of quality commensurate with that of 35 mm film release prints that includes high-resolution film scanners, digital image compression, high-speed data networking and storage, and advanced digital projection.

“**Digital Content Network**” means a network of LLC Equipment and third-party equipment and other facilities which provides for the electronic transmission of digital content, directly or indirectly, from a centrally-controlled location to Theatres, resulting in the “on-screen” exhibition of such content in such Theatres, either in Theatre auditoriums or on Lobby Screens.

“**Digital Content Service**” means the Pre-Feature Program, Policy Trailer, Event Trailer and the Video Display Program.

“**Digital Event Peak Season**” has the meaning assigned to it in Exhibit B.

“**Digital Films**” has the meaning assigned to it in Exhibit B.

“**Digital Programming**” means the content of Digital Programming Services.

“Digital Programming EBITDA Threshold” has the meaning assigned to it in Section 9.01(b).

“Digital Programming Renewal Term” has the meaning assigned to it in Section 9.01(b).

"**Digital Programming Services**" has the meaning assigned to it in Part B of Exhibit B.

"Digital Programming Term" has the meaning assigned to it in Section 9.01(b).

"**Digital Screen**" means a screen in an auditorium of a Digitized Theatre.

"**Digitized Theatres**" means all Theatres that are connected to the Digital Content Network, as of the Effective Date, and all Theatres that subsequently connect to the Digital Content Network, as of the date such connection is established**.**

"**Disposition**" (including the term "**Disposed**") has the meaning assigned to it in Section 2.03.

"**EBITDA**" means, for the applicable measurement period, earnings before interest, taxes, depreciation and amortization, all as defined by GAAP.

"**Effective Date**" has the meaning assigned to it in the preamble of this Agreement.

"**Encumbered Theatres**" has the meaning assigned to it in Section 4.08(a).

"**Equipment**" means the equipment and cabling, as prescribed by the terms of this Agreement, which is necessary to schedule, distribute, play, reconcile and otherwise transmit and receive the Services delivered by LLC pursuant to the terms of this Agreement, and a complete list of all such equipment located inside or on any Theatre building and the ownership thereof as of the date hereof is set forth in the Specification Documentation, as may be amended from time to time at the request of either Party.

"**ESA-Related Tax Benefit Payments**" has the meaning assigned to it in Section 1.1 of the Tax Receivable Agreement.

"**Event Sponsorship**" has the meaning assigned to it in Part A of Exhibit A.

"**Event Trailer**" has the meaning assigned to it in Section 6.03(a).

"**Excluded Theatres**" has the meaning assigned to it in Section 4.13(a).

"**Flight**" has the meaning assigned to it in Section 4.01(a).

"**Founding Members**" has the meaning assigned to it in the recitals to this Agreement and shall include their respective Affiliates.

"**Future Theatres**" has the meaning assigned to it in Section 3.01.

"**GAAP**" means United States generally accepted accounting principles, consistently applied.

"**Governmental Authority**" means any nation or government, any state or other political subdivision thereof, and any entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government.

"**Group**" has the meaning used in Section 13(d) and 14(d) of the Securities Exchange Act of 1934.

"**IMAX Screens**" has the meaning assigned to it in Section 4.13(b).

"**Indemnifying Party**" has the meaning assigned to it in Section 11.01(c).

"**Infringement**" has the meaning assigned to it in Section 12.02.

"Initial Digital Programming Term" has the meaning assigned to it in Section 9.01(b).

"Initial Meeting Services Term" has the meaning assigned to it in Section 9.01(c).

"**Initial Term**" has the meaning assigned to it in Section 9.01(a).

"**Intellectual Property**" means all intellectual property, including but not limited to all U.S., state and foreign (i) (A) patents, inventions, discoveries, processes and designs; (B) copyrights and works of authorship in any media; (C) trademarks, service marks, trade names, trade dress and other source indicators and the goodwill of the business symbolized thereby, (D) software; and (E) trade secrets and other confidential or proprietary documents, ideas, plans and information; (ii) registrations, applications and recordings related thereto; (iii) rights to obtain renewals, extensions, continuations or similar legal protections related thereto; and (iv) rights to bring an action at law or in equity for the infringement or other impairment thereof.

"**Inventory**" means any advertising or other content.

"**License Agreement**" means that certain Second Amended and Restated Software License Agreement, dated of even date herewith, among LLC, AMC, Cinemark and Regal, as applicable, and as such agreement may be amended, supplemented or otherwise modified from time to time.

"**LLC Agreement**" has the meaning assigned to it in the recitals to this Agreement.

"**LLC Credit Agreement**" means the Credit Agreement dated as of February 13, 2007 among LLC, the several lenders from time to time parties thereto, JPMorgan Chase Bank, N.A., as syndication agent, Credit Suisse (USA) LLC and Morgan Stanley Senior Funding, Inc., as co-documentation agents and the Administrative Agent, as amended, modified or supplemented from time to time and any extension, refunding, refinancing or replacement (in whole or in part) thereof.

"**LLC Derived Works**" has the meaning assigned to it in Section 13.02(a).

"**LLC Equipment**" means the Equipment owned by LLC pursuant to the terms of this Agreement.

"**LLC Marks**" means the trademarks, service marks, logos, slogans and/or designs owned by LLC or otherwise contributed by LLC for use under this Agreement, in any and all forms, formats and styles, including as may be used in the Brand (as defined herein), as may be modified from time-to-time all as notified to Cinemark from time to time by LLC.

"**LLC Property**" has the meaning assigned to it in Section 13.01(a).

"**LLC Quality Standards**" has the meaning assigned to it in Section 7.02(c).

"**Lobby Promotions**" has the meaning assigned to it in Part A of Exhibit A.

"**Lobby Screen"** means a plasma, LED or other type of screen displaying digital or recorded content that is located inside a Theatre and outside the auditoriums, or any other type of visual display mechanism that replaces such a screen. Lobby Screens shall not include, however, digital poster cases, digital animated poster cases**,** ATM or ticket kiosk screens (or such items that may replace digital poster cases or ATM or ticket kiosk screens in the future) or other substantially similar display mechanisms that display Theatre Advertising or promotional material that may include some or all of the following types of content: isolated images or still scenes from feature films, full motion elements that are not a movie trailer, interactive elements, audio elements and motion sensors and which content, considered singularly and collectively, is sufficiently limited in playtime and complexity such that it cannot reasonably be considered equivalent to a movie trailer.

"**Loews Theatres**" mean the theatres acquired (and not divested under government order) by AMC Entertainment Inc. in connection with its merger with Loews Cineplex Entertainment Corporation completed on January 26, 2006.

"**Marketing Materials**" has the meaning assigned to it in Section 7.02(a).

"**Marquee Holdings**" means Marquee Holdings Inc. (a holding company that conducts business through its subsidiary AMC Entertainment Inc.) or its successor or any Person that wholly owns Marquee Holdings, directly or indirectly, in the future.

"Meeting Services" has the meaning assigned to it in Part C of Exhibit A.

"Meeting Services EBITDA Threshold" has the meaning assigned to it in Section 9.01(c).

"Meeting Services Renewal Term" has the meaning assigned to it in Section 9.01(c).

"Meeting Services Term" has the meaning assigned to it in Section 9.01(c).

"Meeting With a Movie" means a Meeting Services event at which a feature film is shown and for which tickets are sold.

"Meeting Without a Movie" means a Meeting Services event at which no feature film is shown.

"**Member**" means each Person that becomes a member, as contemplated in the Delaware Limited Liability Act, of LLC in accordance with the provisions of the LLC Agreement and has not ceased to be a Member pursuant to the LLC Agreement.

"**National CineMedia**" has the meaning assigned to it in the recitals to this Agreement.

"**Newbuild Theatre(s)**" has the meaning assigned to it in Section 2.02(a).

"**Non-Assignable Legacy Agreement**" has the meaning assigned to it in Section 4.06(b)(ii).

"**Non-Digitized Theatres**" means Theatres that are not Digitized Theatres.

"**Party**" has the meaning assigned to it in the preamble of this Agreement.

"**Permitted Transfer**" means:

(a) by operation of law or otherwise, the direct or indirect change in control, merger, consolidation or acquisition of all or substantially all of the assets of LLC or Cinemark, as applicable, or the assignment of this Agreement by Circuit A to an Affiliate,

(b) with respect to the rights and obligations of LLC under this Agreement, (i) the grant of a security interest by LLC in this Agreement and all rights and obligations of LLC hereunder to the Administrative Agent, on behalf of the Secured Parties, pursuant to the Security Documents, (ii) the assignment or other transfer of such rights and obligations to the Administrative Agent (on behalf of the Secured Parties) or other third party upon the exercise of remedies in accordance with the LLC Credit Agreement and the Security Documents and (iii) in the event that the Administrative Agent is the initial assignee or transferee under the preceding clause (ii), the subsequent assignment or other transfer of such rights and obligations by the Administrative Agent on behalf of the Secured Parties to a third party, or

(c) in the event that LLC becomes a debtor in a case under the Bankruptcy Code, the assumption and/or assignment by LLC of this Agreement under section 365 of the Bankruptcy Code, notwithstanding the provisions of section 365(c) thereof.

"**Person**" means any individual, corporation, limited liability company, partnership, trust, joint stock company, business trust, unincorporated association, joint venture, Governmental Authority or other entity or organization of any nature whatsoever or any Group of two or more of the foregoing.

"**Play List**" has the meaning assigned to it in Section 4.01(a).

"**Policy Trailer**" has the meaning assigned to it in Section 4.05(b).

"**Pre-Feature Program**" means a program of digital content of between twenty (20) and thirty (30) minutes in length that is distributed by LLC through the Digital Content Network for exhibition in Digitized Theatres prior to Showtime, or that is distributed non-digitally by some other means, including DVD, for exhibition prior to Showtime in Non-Digitized Theatres.

"**Pre-Feature Programming Schedule**" means the schedule for the Pre-Feature Program as developed from time to time by LLC after consultation with Cinemark.

"**Proprietary Information**" means all Intellectual Property, including but not limited to information of a technological or business nature, whether written or oral and if written, however produced or reproduced, received by or otherwise disclosed to the receiving Party from or by the disclosing Party that is marked proprietary or confidential or bears a marking of like import, or that the disclosing Party states is to be considered proprietary or confidential, or that a reasonable person would consider proprietary or confidential under the circumstances of its disclosure.

"PSA Trailer" means up to 30 seconds for Cinemark approved fundraising and that may contain the display of any trademark, service mark, logo or other branding of the charitable organizations sponsoring such fundraising that is exhibited in the Theatres after Showtime.

"**RCH**" has the meaning assigned to it in the recitals to this Agreement.

"**REG**" means Regal Entertainment Group or its successor or any Person that wholly owns REG, directly or indirectly, in the future.

"**Regal**" means Regal Cinemas, Inc., a Tennessee corporation.

"**Regal Exhibitor Agreement**" means the Exhibitor Services Agreement between LLC and Regal, dated of even date herewith, as the same may be amended, supplemented or otherwise modified from time to time.

"Regal Theatre" means any "Theatre" as defined in the Regal Exhibitor Agreement.

"**Renewal Term**" has the meaning assigned to it in Section 9.01(a).

"**Representatives**" has the meaning assigned to it in Section 11.01(a).

"**ROFR Notice**" has the meaning assigned to it in Section 9.03(a).

"**ROFR Period**" has the meaning assigned to it in Section 9.03(a).

"**ROFR Response**" has the meaning assigned to it in Section 9.03(c).

"**ROFR Response Period**" has the meaning assigned to it in Section 9.03(c).

"**Run-Out Obligations**" has the meaning assigned to it in Section 4.08.

"**Secured Parties**" means the "Secured Parties" (or any analogous concept) as defined in the LLC Credit Agreement.

"**Security Documents**" means the "Security Documents" as defined in the LLC Credit Agreement and any amendment, modification, supplement or replacement of such Security Documents.

"Service" means the Advertising Services and, for the duration of the Meeting Services Term and the Digital Programming Term, the Meeting Services and the Digital Programming Services, respectively, all as set forth on Exhibit A and as applicable.

"Showtime" means the advertised showtime for a feature film.

"**Software**" means the software owned by, and/or licensed to, LLC or its direct or indirect Subsidiaries and which is installed on either LLC Equipment or Cinemark Equipment and used in connection with delivery of the Digital Content Service, the Digital Carousel, the Digital Programming Services and the Meeting Services.

"**Special Promotions**" has the meaning assigned to it in Section 4.14.

"Specification Documentation" means documentation as specified herein, relating to technical specifications or other matters relating of this Agreement, that is delivered and agreed upon by the Parties on the Effective Date of this Agreement.

"**Strategic LEN Promotion**" has the meaning assigned to it in Section 4.07(b)(ii).

"**Strategic Lobby Promotion**" has the meaning assigned to it in Section 4.07(b)(iii).

"**Strategic Programs**" has the meaning assigned to it in Section 4.07(b).

"**Strategic Relationship**" has the meaning assigned to it in Section 4.07(b).

"**Subsidiary**" means, with respect to any Person, (i) a corporation a majority of whose capital stock with the general voting power under ordinary circumstances to vote in the election of directors of such corporation (irrespective of whether or not, at the time, any other class or classes of securities shall have, or might have, voting power by reason of the happening of any contingency) is at the time beneficially owned by such Person, by one or more Subsidiaries of such Person or by such Person and one or more Subsidiaries thereof or (ii) any other Person (other than a corporation), including a joint venture, a general or limited partnership or a limited liability company, in which such Person, one or more Subsidiaries thereof or such Person and one or more Subsidiaries thereof, directly or indirectly, at the date of determination thereof, beneficially own a majority ownership interest entitled to vote in the election of directors, managers or trustees thereof (or other Persons performing such functions) or act as the general partner or managing member of such other Person.

"**Supplemental Theatre Access Fee**" has the meaning assigned to it in Schedule 1.

"**Tax Receivable Agreement**" means that certain Tax Receivable Agreement by and among National CineMedia, LLC, RCH, AMC, Cinemark Media, Cinemark, and Regal, and to be dated as of the date hereof.

"**Term**" has the meaning assigned to it in Section 9.01(a).

"**Territory**" means the 50 states of the United States of America and the District of Columbia.

"**Theatre Access Fee**" has the meaning assigned to it in Schedule 1.

"Theatre Advertising" means advertisement of one or more of the following activities associated with operation of the Theatres of Cinemark or its Affiliates: (A) Concessions or Concession promotions, (B) Cinemark's gift cards, loyalty programs and other items related to Cinemark's business in the Theatres, (C) events presented by Cinemark pursuant to Section 6.05, or (D) vendors of services (other than film-related vendors) provided to the Theatres, provided such promotion is incidental to the vendor's service such as, but without limitation, online or telephone ticketing or other alternative delivery sources for the same, credit cards, bank cards, charge cards, debit cards, gift cards and other consumer payment devices. Theatre Advertising includes the display of concession menus, movie listings, Showtimes and pricing information.

"**Theatres**" means from time-to-time, as applicable, all theatres in the Territory owned by Cinemark or an Affiliate of Cinemark or as to which Cinemark or an Affiliate of Cinemark has a controlling interest or operational control, including both Digitized and Non-Digitized Theatres, except as provided in Sections 2.02(b), 4.08 and 4.13 or as may be mutually agreed by the Parties in writing. The foregoing notwithstanding, no motion picture theatre located outside of the Territory shall be a Theatre without LLC's prior written consent. Theatre includes all parts of the physical facilities inside a theatre building to which the public has access.

"Third Party Theatre Agreement" means an agreement between LLC and a third party that gives LLC a right to provide Advertising Services with respect to the Theatres being Disposed of by a Founding Member to such third party and that meets the following minimum requirements: (i) the third party grants LLC exclusive access to and the exclusive right to provide Advertising Services with respect to the Theatres; (ii) the Third Party Theatre Agreement incorporates content standards no more restrictive than as set forth in section 4.03 of this Agreement; (iii) the fee payable by LLC to the third party for the Advertising Services does not exceed *** of LLC's total revenue attributable to such Advertising Services; (iv) the term of the Third Party Theatre Agreement (excluding extensions) is for the shorter of (A) the term of the longest lease (excluding extensions) being Disposed of by the Founding Member in the transaction, or (B) ***; (v) LLC has substantially similar penalties upon a breach of the Third Party Theatre Agreement by such third party than as set forth in this Agreement for breaches by such Founding Member; and (vi) in all other material respects, the Third Party Theatre Agreement imposes obligations upon the third party that are substantially similar to the obligations imposed upon the Founding Member in this Agreement, except that obligations arising exclusively from such Founding Member's status as a Founding Member shall be inapplicable to the third party.

"**Traditional Content Program**" means advertising and other promotional content which is displayed on 35 mm film prior to Showtime.

"**Trailer**" means a promotion secured by Cinemark or its designee (which retains the exclusive rights to so secure for all of its Theatres) for a feature film that is exhibited in the Theatres after Showtime.

"**Unit Adjustment Agreement**" means that certain Common Unit Adjustment Agreement of even date herewith among National CineMedia, LLC, RCH, AMC, Cinemark Media, Cinemark, and Regal, and to be dated as of the date hereof.

"**Upgrade Request**" has the meaning assigned to it in Section 3.05.

"**Video Display Program**" means a program of digital content shown on Lobby Screens which is distributed by LLC through the Digital Content Network for exhibition in Digitized Theatres, and which is distributed non-digitally by some other means, including DVD, for exhibition in Non-Digitized Theatres.

ARTICLE 2

PARTICIPATION AND FEES

Section 2.01 **Theatre Service Participation.** From the Effective Date and during the Term, LLC shall provide all aspects of the Service to Cinemark and Cinemark shall exhibit and otherwise participate in such aspects of the Service, on the terms and conditions set forth herein. Subject to the provisions of Section 4.08 (Cinemark Run-Out Obligations), during the Term all Theatres will participate in the Service either as Digitized Theatres or Non-Digitized Theatres.

(a) Digitized Theatres. As of the Effective Date and during the Term, pursuant to the terms of Section 4.01 (Content and Distribution of the Digital Content Service and Traditional Content Program), LLC will provide the following Services to the Digitized Theatres, and all Digitized Theatres will, subject to the terms of Section 4.12 (Access to Pre-Feature Program), participate in (i) the Digital Carousel during the period beginning after the preceding feature film (or, in the case of the first feature film of the day, beginning after the opening of the auditorium doors for that film) until the beginning of the Pre-Feature Program, (ii) the Pre-Feature Program, (iii) the Policy Trailer and (iv) the Video Display Program.

(b) Non-Digitized Theatres. As of the Effective Date and during the Term, pursuant to the terms of Section 4.01 (Content and Distribution of the Digital Content Service and Traditional Content Program), LLC will provide the following Services to the Non-Digitized Theatres, and all Non-Digitized Theatres will, subject to the terms of Section 4.12 (Access to Pre-Feature Program), participate in, (i) the Digital Carousel during the period beginning after the preceding feature film (or, in the case of the first feature film of the day, beginning after the opening of the auditorium doors for that film) until the beginning of the Traditional Content Program, (ii) the Traditional Content Program, (iii) the Policy Trailer and (iv) the Video Display Program, but with respect to participation of Non-Digitized Theatre's participation in the Video Display Program, only to the extent that a Non-Digitized Theatre has at least one Lobby Screen and has the requisite equipment necessary to participate in the Video Display Program. No Non-Digitized Theatre will be obligated to participate in, nor will LLC be obligated to provide to any Non-Digitized Theatre, the Pre-Feature Program.

(c) Lobby Promotions. LLC shall provide Lobby Promotions to Theatres and Theatres shall participate in Lobby Promotions as described in Section 4.02.

(d) Events and Meetings. LLC shall provide Digital Programming Services (including Event Trailers) and Meeting Services to Theatres and Theaters shall participate in Digital Programming and Meeting Services as described in Article 6.

(e) Modifications. The Parties agree that the rights and obligations to provide and participate in elements of the Service, as set forth immediately above, may be modified during the Term upon mutual written agreement of the Parties.

(f) Conversion of Theatres. No Digitized Theatre shall become a Non-Digitized Theatre without the mutual agreement of Cinemark and LLC. Cinemark will determine from time to time which Non-Digitized Theatres will be converted to Digitized Theatres.

(g) Rights to Transfer Theatres. The Parties agree that nothing in this Agreement is intended to, nor shall, bind or otherwise limit Cinemark's or its Affiliates' rights and abilities in its sole discretion from time to time to close, sell, acquire or otherwise transfer any interest in (including by mortgage or otherwise) any theatre.

Section 2.02 Addition of Theatres.

(a) Newbuild Theatres. Except as provided in Section 4.13 (Excluded Theatres; IMAX Screens) or as mutually agreed by the Parties in writing, any theatre in the Territory newly built by Cinemark or an Affiliate of Cinemark following the Effective Date ("Newbuild Theatres") shall be equipped to receive the Digital Content Service via the Digital Content Network, shall be a Digitized Theatre, and shall participate in the Digital Content Service on the terms set forth in Section 2.01. LLC agrees to provide all aspects of the Service to Newbuild Theatres on the terms and conditions set forth herein.

(b) Acquisition Theatres. Any theatre in the Territory of which Cinemark or an Affiliate of Cinemark obtains control of the advertising, promotional or event activities therein after the Effective Date (excluding any Newbuild Theatres and any Loews Theatre) shall be an "Acquisition Theatre(s)". Subject to Sections 4.08 and 4.13, LLC shall provide all aspects of the Service to such Acquisition Theatres and Cinemark shall cause such Acquisition Theatres to exhibit and participate in the Service on the terms and conditions set forth herein. The Parties agree that Cinemark may obtain operational control of an Acquisition Theatre but not obtain any or all rights necessary to receive or display any or all aspects of the Service or control over advertising, promotions or events but not over all of the foregoing, and, in such circumstances Cinemark shall use its commercially reasonable efforts to have as much of the Service received or displayed in such Acquisition Theatres as is within its control, or if not, then as reasonably practicable. The Parties agree that it may not be commercially reasonable to equip each Acquisition Theatre to receive the Digital Content Service and the Digital Programming Services and Meeting Services via the Digital Content Network. Therefore, the Parties agree, subject to Sections 4.08 and 4.13, that every Acquisition Theatre that is a Digitized Theatre shall participate in the Digital Content Service via the Digital Content Network on the terms set forth in Section 2.01, but that Cinemark retains sole discretion as to if, when and which Acquisition Theatres Cinemark converts to Digitized Theatres. Upon Cinemark's decision to convert an Acquisition Theatre to a Digitized Theatre, the Parties agree to discuss in good faith the appropriate schedule for equipping such Acquisition Theatre to receive the Digital Content

Service, the Digital Programming Services and Meeting Services via the Digital Content Network. Upon agreeing upon the schedule to conduct such equipping, LLC shall diligently prosecute such work until completion.

(c) Common Unit Adjustment. Any adjustment of Common Unit ownership by the Members related to Newbuild Theatres and Acquisition Theatres shall be addressed in the Unit Adjustment Agreement.

Section 2.03 Disposition of Theatres.

(a) Disposition. Cinemark shall provide LLC prompt written notice after the sale, transfer, permanent closure or other disposition of a Theatre (other than as the result of a Permitted Transfer) or the permanent loss of any Theatre lease (a "Disposition"). The decision to sell, close or otherwise dispose of any Theatre shall be in Cinemark's sole and absolute discretion. Any such Theatre shall cease to be a Theatre for all purposes under this Agreement; and, if so determined by Cinemark and agreed by LLC (which agreement shall not be unreasonably or untimely withheld), then unless LLC and the applicable third party(ies) enter into a Third Party Theatre Agreement, then the Parties will agree on a date and time at which LLC shall be permitted to enter the affected Theatre(s) and remove any LLC Property (as defined in Section 13.01). In the event LLC fails to remove any LLC Property within the timeframe the Parties agree upon for such removal, Cinemark or such third party transferee shall have the right to remove and dispose of such LLC Property in its sole discretion; provided that any Software included in the LLC Property shall be removed and returned to LLC at LLC's expense.

(b) Common Unit Adjustment. Any adjustment of Common Unit ownership by the Members related to Disposition of Theatres shall be addressed in the Unit Adjustment Agreement.

Section 2.04 Mandatory Participation. During the Term, except as expressly provided in this Agreement, including Sections 4.05 (Brand; Policy Trailer; Branded Slots), 4.06(a) (Beverage Agreements), 4.07 (Other Cinemark Advertising Agreements), 4.08 (Cinemark Run-Out Obligations), 4.13 (Excluded Theatres; IMAX Screens), 4.14 (Grand Openings; Popcorn Tubs; Employee Uniforms); 6.07 (Use of Digital Content Network) and Exhibit A, Cinemark shall subscribe for and LLC shall be the exclusive provider to the Theatres of the services specifically set forth in the definition of the "Service." Except as expressly provided in this Agreement, during the Term, Cinemark shall neither engage nor permit a third party (excluding third party designees of LLC as provided hereunder) to provide, or itself provide, to a Theatre any of the services specifically set forth in the definition of Service. Nothing in this Agreement shall limit or affect (i) LLC's ability to contract or enter into any relationship with any Person or entity for any product, service, or otherwise, whether or not similar to any products or services provided by LLC under this Agreement, or (ii) Cinemark's ability to contract or enter into any relationship with any Person or entity for any product, service, or otherwise, other than the services that will be provided exclusively by LLC as set forth in this Section 2.04. All rights with respect to advertising and promotions not explicitly granted hereunder are reserved to Cinemark, including without limitation Cinemark's ability to offer and sell advertising to any third party on any website on the Internet, its telephone ticketing service or other alternative media sources used for ticketing.

Section 2.05 ESA Modification Payments; Theatre Access Fees.

(a) ESA Modification Payments.

(i) Cinemark Initial ESA Modification Payment. As of the date hereof, and in consideration for Cinemark's agreement to use a Theatre Access Fee calculation and payment mechanism (as described in Section 2.05(b)) in connection with LLC's utilization of the Theatres on and after the date of this Agreement, LLC will pay to Cinemark $174,000,772 (such amount being the "Cinemark Initial ESA Modification Payment").

(ii) ESA-Related Tax Benefit Payments. After the date hereof, and in consideration for Cinemark's agreement to use a Theatre Access Fee calculation and payment mechanism (as described in Section 2.05(b)) in connection with LLC's utilization of the Theatres on and after the date of this Agreement, LLC will also pay any ESA-Related Tax Benefit Payments to Cinemark, pursuant to the terms of the Tax Receivable Agreement.

(iii) Adjustments. The Cinemark Initial ESA Modification Payment will be subject to contingent and ongoing adjustments, pursuant to the Unit Adjustment Agreement.

(b) Theatre Access Fees.

(i) Calculation. In consideration for utilization of the Theatres pursuant to the terms hereof, LLC shall calculate and Cinemark shall be entitled to receive a Theatre Access Fee, as set forth in Schedule 1, which shall be paid based on Cinemark's attendance for the relevant fiscal month in which LLC provides the Services and number of Digital Screens during the fiscal month in which LLC provides the Services (calculated as the average between the number of Digital Screens on the last day of the fiscal month preceding the relevant fiscal month in which LLC provides the Services and the last day of the fiscal month in which LLC provides the Services), and which shall include the amount of 4.03 Revenue allocated to Circuit A for the same fiscal month.

(ii) Payment. LLC shall pay Cinemark its Theatre Access Fees on or before the last day of LLC's fiscal month following the fiscal month in which Services are provided by LLC; provided that Cinemark has, by the fourteenth day of LLC's fiscal month following the month in which Services are provided by LLC, given LLC the data regarding attendance and number of Digital Screens necessary for LLC to calculate the Theatre Access Fee. If Cinemark has not, by the fourteenth day of LLC's fiscal month following the month in which Services are provided by LLC, given LLC the data regarding attendance and number of Digital Screens necessary for LLC to calculate the Theatre Access Fee, the due date of the Theatre Access Fee payment shall be extended by one day for each day that Cinemark is late in providing such data. LLC shall provide Cinemark with a detailed accounting of the calculation of Theatre Access Fees pursuant to Schedule 1, which report shall accompany each such payment.

(iii) Supplemental Theatre Access Fee. If applicable, LLC shall pay Cinemark a Supplemental Theatre Access Fee, as set forth in Schedule 1, on or before the last day of LLC's fiscal month following the end of LLC's applicable fiscal year.

Section 2.06 Non-Cash Consideration. Any Aggregate Advertising Revenue, revenue related to Event Sponsorship, revenue related to Digital Programming Services or revenue related to Meeting Services that LLC receives in the form of non-cash consideration shall be valued as revenue in accordance with GAAP. If LLC's value of non-cash consideration received under any arrangement exceeds $500,000 but is not greater than $5 million from any party in a single transaction or series of related transactions, such value shall be confirmed by National CineMedia, if it is LLC's managing member, or LLC's then managing member. If LLC's value of non-cash consideration received under any arrangement exceeds $5 million from any party in a single transaction or series of related transactions, LLC shall engage an independent qualified appraiser to determine the fair market value of such non-cash consideration. Notwithstanding the foregoing, no confirmation or appraisal of value shall be required for LLC's acquisition of tickets from Founding Members at their published group sale price in exchange for advertising at LLC's rate card rate.

ARTICLE 3

EQUIPMENT

Section 3.01 Procurement; Cost; Specifications. The Parties agree that all Theatre-level Equipment required to exhibit and otherwise participate in the Service on the terms and conditions set forth herein has been installed in all Theatres as of the Effective Date. With respect to all Newbuild Theatres, Acquisition Theatres, and Theatres which are converted from Non-Digitized Theatres to Digitized Theatres or from Digitized Theatres to Non-Digitized Theatres after the Effective Date (collectively, the "Future Theatres"), LLC shall, except as provided in Section 3.03, be solely responsible for procuring any Equipment for such Theatres. LLC shall bear the cost of all Equipment for use outside the Theatres, as well as Equipment installed in the Theatres for maintenance purposes (if any) (a description of such LLC Equipment installed in the Theatres is included in the Specification Documentation; which may be amended by mutual written agreement of the Parties) and the Software. Cinemark shall reimburse LLC, at LLC's cost, for all other Equipment to be installed at or within any Future Theatres (a description of such Cinemark Equipment is included in the Specification Documentation; which may be amended by mutual written agreement of the Parties) within thirty (30) days after (i) the installation of such Equipment by Cinemark or LLC in accordance with Section 3.04 and (ii) the delivery of invoices by LLC to Cinemark supporting the expenses for which reimbursement is sought. All Theatre-level operational costs associated with Cinemark's use of Equipment located in the Theatres, such as the cost of electricity, shall be borne exclusively by Cinemark. LLC shall assure that the Equipment purchased by LLC satisfies Cinemark's specifications for such equipment, including the communication interface between LLC Equipment and Cinemark Equipment.

Section 3.02 Ownership of Equipment. As between the Parties, each Party will own the Equipment it pays for or reimburses the other Party for, whether pursuant to Section 3.01 or Section 3.03. To the extent possible, LLC agrees to assign to Cinemark any manufacturer warranties applicable to Cinemark Equipment procured by LLC pursuant to Section 3.01. If for any reason the aforementioned warranties are not assignable, upon written request of Cinemark, LLC shall use commercially reasonable efforts to enforce the warranties on behalf of Cinemark. Notwithstanding anything to the contrary herein, any LLC Equipment placed or installed in a Theatre for maintenance purposes may, upon termination of this Agreement or deletion of a particular Theatre as provided herein, as applicable, be removed by LLC and held for its sole benefit.

Section 3.03 Cinemark Equipment. Cinemark shall be permitted to furnish any of the Equipment, at its sole cost and expense, upon consultation with LLC, and provided such Equipment satisfies LLC's specifications for such Equipment (including compatibility with the Digital Content Network). LLC agrees to cooperate with Cinemark in good faith to permit the procurement by Cinemark of Equipment in lieu of procurement of such Equipment by LLC and reimbursement by Cinemark pursuant to Section 3.01.

Section 3.04 Installation.

(a) Performance. Cinemark and/or its subcontractors shall be solely responsible for the installation of all Equipment purchased pursuant to Section 3.01 or Section 3.03, as well as for ancillary services such as reporting, software integration and system cutover; provided, however, that Cinemark may elect to have LLC perform such services, and LLC shall then assume the responsibility for installation of all Equipment. If Cinemark elects for LLC to assume the responsibility for installation of all Equipment, (i) Cinemark shall reimburse LLC for the cost of installing Cinemark Equipment as set forth in the Specification Documentation, (ii) LLC will not issue invoices for any Equipment cost, or installation services related to such Equipment until the completion of such installation services, and (iii) LLC shall ensure that Equipment installed pursuant to this section is made functional in accordance with any installation rollout schedule agreed to by the Parties, as may be amended from time to time upon mutual agreement of the Parties or as circumstances warrant.

(b) Consultation; Landline. The Parties agree to consult with each other with respect to any modifications to Theatre premises necessary for receipt of the Service. LLC shall use commercially reasonable efforts to limit the size and number of satellite dishes that are required as part of the Equipment. Cinemark shall be solely responsible for obtaining any consents required for the installation or use of any Equipment at any Theatre, including without limitation governmental and landlord consents, provided LLC reasonably cooperates with Cinemark at Cinemark's request in obtaining such consents. If Cinemark cannot obtain consent to installation of a satellite dish at a Theatre because of technical, landlord or legal restrictions, Cinemark and LLC shall work together in good faith to establish a landline connection to such location for the Digital Content Network. All costs of the landline connection, which shall be maintained with sufficient bandwidth for delivery of the Digital Content Service, shall be borne by LLC with respect to delivery of content from LLC to Cinemark's wide area network and by Cinemark with respect to delivery of content from Cinemark's wide area network to the applicable Theatres.

(c) Coordination. All installation, maintenance and other services provided by LLC to the Theatres hereunder shall be performed in a manner reasonably expected not to disrupt Cinemark's operations and, except where no practical alternative exists, shall be provided outside of Theatre business hours, as mutually determined by the Parties in their reasonable discretion. Subject to the preceding sentence and upon advance written notice, LLC and its vendors or subcontractors shall be provided reasonable access to the Theatres and such other support services as reasonably required to install and inspect the Equipment, for such fees as provided in the Specification Documentation, and otherwise as required to perform LLC's obligations under this Agreement. In addition to the foregoing, and with respect to the installation of Equipment in Newbuild Theatres only, LLC agrees (i) to cooperate with Cinemark in coordinating the installation of Equipment with the construction schedule for such Newbuild Theatres, and (ii) to consult with Cinemark prior to subcontracting the performance of Equipment installation so as to permit a determination of whether Cinemark might itself perform such Equipment installation.

Section 3.05 Upgrades and Modifications. In order to ensure compatibility with, and optimum performance and robustness of, the Digital Content Network and the LLC Equipment (including hardware and software), LLC reserves the right to request of Cinemark the replacement, upgrade or modification of any Cinemark Equipment installed at any Theatre or the assistance with an upgrade to Software on Cinemark Equipment; provided that such requests are equally and timely communicated to each of AMC, Cinemark and Regal (the "Upgrade Request"). In the event of an Upgrade Request, LLC shall provide Cinemark as much written notice as is reasonably practicable under the circumstances, but in no event less than ten (10) business days written notice. LLC and Cinemark will negotiate with each other in good faith on the terms of any Upgrade Requests, including cost sharing terms, if any. If LLC and Cinemark are not able to come to agreement about an Upgrade Request, LLC may elect to pay for the replacements, upgrades or modifications contained in the Upgrade Request including all reasonable incidental and incremental costs to Cinemark, and Cinemark shall be obligated to permit LLC to perform all necessary work to fulfill the Upgrade Request, provided (i) there is no additional unreimbursed cost to it to accept such replacement, upgrade or modification and (ii) that such replacement, upgrade or modification does not unreasonably interfere with Cinemark's theatre operations and does not include any replacement, upgrade or modification of Cinemark software without Cinemark's express prior written consent. LLC agrees that, to the extent practicable, it will develop a system that seeks to minimize the need to enter the Theatres in order to update the Software.

Section 3.06 Network Integration. The Parties shall use commercially reasonable efforts to ensure that the Digital Content Network will be integrated with any network for delivery of Digital Cinema Services such that the Services can be delivered over such network.

Section 3.07 Training. To the extent necessary, LLC and Cinemark, respectively, will provide training services to Cinemark's support staff and customer service and other employees and agents on terms as mutually agreed by the Parties in their reasonable discretion. LLC agrees that it will pay for these training services and they will be adequate to permit Cinemark to train its own employees and agents as required to perform under this Agreement. Cinemark agrees to provide training services according to any reasonable standards as may be promulgated by LLC in consultation with Cinemark. LLC agrees to provide training services, at its cost, to Cinemark's support staff and other employees with respect to any Equipment or Software upgrades or modifications prior to implementation.

Section 3.08 **Equipment Maintenance Standard**.

(a) Standard; Replacement. During the Term, the Parties shall each use their commercially reasonable efforts (i) to ensure there is no unauthorized access, loss or damage to or theft of Equipment hereunder, and (ii) to prevent piracy or other theft of Inventory exhibited through the use of such Equipment or otherwise in its possession or control. Cinemark further agrees to keep all Cinemark Equipment, including without limitation Lobby Screens, clean, and to promptly notify LLC if any Cinemark Equipment is not functioning properly. Cinemark shall promptly arrange to repair or replace any Equipment in its possession (provided the damage interferes with the delivery of the Service) that is lost, stolen, damaged or otherwise fails to function or becomes inoperable, other than because of LLC's failure to properly maintain the Equipment as set forth in Section 3.08(b).

(b) Performance of Repair and Replacement. Subject to the terms of this Section 3.08(b) and of Section 3.08(c) below regarding cost, the repair and replacement of Equipment shall be performed by LLC until such time as Cinemark elects to assume this responsibility by giving written notice to LLC. If Cinemark assumes this responsibility to perform replacement or repair but fails to maintain the Cinemark Equipment at a performance level substantially similar to the LLC Equipment, then LLC shall promptly provide Cinemark written notice of such failure and if such failure is not cured within 30 days, LLC shall be entitled to repair, or if repair is not reasonably possible, replace such LLC Equipment not so maintained and deduct the cost of such replacement from Cinemark's Theatre Access Fees.

(c) Repair Costs. So long as LLC is performing repair and replacement of Equipment, LLC shall pay the costs of repair (but not replacement, which is the responsibility of Cinemark). Notwithstanding anything to the contrary in this Section 3.08, LLC shall not be required or requested to make any expenditures that (i) would constitute a capital expenditure for LLC under GAAP or (ii) would have otherwise been payable by Cinemark's insurance provider; provided, however, LLC shall be responsible for all costs to repair or replace Equipment to the extent damaged as a result of the negligence or misconduct of LLC and/or its subcontractors.

(d) Condition. Subject to the foregoing, for purposes of ongoing maintenance, LLC shall keep and maintain Equipment installed in the Theatres in good condition and repair at its sole expense (with the exception of projector bulb replacement and equipment replacement, the cost of which shall be borne by Cinemark), and in a manner consistent with the Service Level Agreement set forth in the Specification Documentation and as may be reasonably amended by mutual agreement of LLC and Cinemark from time to time. The Parties agree to consult with each other on a regular basis during the Term in an attempt to reduce maintenance costs arising from redundancies in the Parties' respective service fleets. Upon advance notice to Cinemark, Cinemark shall provide LLC and/or its subcontractors reasonable access to the Equipment and such other support services as LLC and/or its subcontractors reasonably require to provide maintenance and repair services as required hereunder.

ARTICLE 4

DELIVERY OF THE SERVICE

Section 4.01 **Content and Distribution of the Digital Content Service and Traditional Content Program.**

(a) Distribution; Quality. On the Effective Date, LLC will commence distribution of the Digital Carousel, the Digital Content Service and the Traditional Content Program to the Digitized Theatres and Non-Digitized Theatres, all as set forth above in Article 2. With respect to Digitized Theatres, content shall be distributed through the Digital Content Network, via either LLC's satellite network or by LLC's or exhibitor's landline network. Each of the Pre-Feature Program and the Video Display Program shall consist of Inventory comprising a single play list ("Play List"). The Play List will be refreshed during the Term when and as determined by LLC but not less frequently than 12 times per year (each a "Flight"). The Digital Carousel, the Digital Content Service (including the Pre-Feature Programming Schedule) and the Traditional Content Program will be substantially similar in nature, quality, and scope to the corresponding advertising, promotional and other content, as received by the Theatres immediately prior to the Effective Date, and will in addition be delivered pursuant to the service levels included in the Specification Documentation, as applicable. In addition, LLC agrees that the quality of the advertising, promotions and entertainment programming content delivered to each of the Founding Members will be consistent throughout the Term.

(b) Pre-Feature Program. As of the Effective Date, the Pre-Feature Program shall consist of four (4) or more elements, including: (i) commercial advertising; (ii) promotions for the Cinemark brand (including the Brand and Branded Slots), Concessions sold and services used by Cinemark and other products and services in accordance with Section 4.05; (iii) interstitial content; and (iv) other entertainment programming content which, while promotional of businesses or products, shall be primarily entertaining, educational or informational in nature, rather than commercially inspired.

(c) Video Display Program. The elements of the Video Display Program shall be, generally, the same as those for the Pre-Feature Program, and will include the Brand and the Branded Slots. LLC specifically agrees that the Video Display Program will contain only material that has received, or had it been rated would have received, an MPAA "G" or "PG" rating. In addition, LLC shall not restrict the sale of Inventory from the Video Display Program for promotions of feature films. Lobby Screens displaying the Video Display Program shall be located in areas of Theatres of LLC's choosing (subject to Cinemark's reasonable operational constraints and provided relocation of existing Lobby Screens is not required). Cinemark is obligated to provide at least one Lobby Screen per Digitized Theatre with ten or fewer screens, two Lobby Screens per Digitized Theatre with eleven to twenty screens and three Lobby Screens per Digitized Theatre with more than twenty screens; provided, however, that Cinemark shall have no obligation to increase the number of Lobby Screens in any Theatre that has at least one Lobby Screen that is capable of receiving the Video Display Program as of the Effective Date. When a Theatre has more than the minimum number of Lobby Screens required, Cinemark may, at its discretion, elect to display on such excess Lobby Screens (i) the Video Display Program or (ii) internal programming (including Theatre Advertising) that does not include third-party advertising and/or third-party mentions for products and services (other than Theatre Advertising); provided, however, Cinemark shall provide at least 30 days advance notice prior to an initial election of either (i) or (ii) in any such Theatre, and at least 60 days advance notice prior to any subsequent change in election.

Section 4.02 Delivery of Lobby Promotions, Digital Programming Services and Meeting Services

(a) Lobby Promotions. On the Effective Date, LLC will make available to the Theatres the Lobby Promotions, and Cinemark will accept such Lobby Promotions on the terms and conditions set forth herein.

(i) Lobby Promotions shall satisfy the guidelines and specifications set forth herein and as may be provided by Cinemark to LLC pursuant to Section 4.02(a)(ii). The Inventory of Lobby Promotions for each Theatre that Cinemark covenants to display pursuant to this Agreement is set forth in Exhibit A-1. LLC may provide additional Lobby Promotions (“Additional Lobby Promotions”), subject to approval by Cinemark. LLC will take all other actions necessary and prudent to ensure the delivery of Lobby Promotions as required under the terms hereof. LLC will inform Cinemark of the length of time that Lobby Promotions and Additional Lobby Promotions are to be displayed.

(ii) LLC covenants and agrees that Lobby Promotions provided pursuant to this Agreement will conform to all standards and specifications of which Cinemark provides LLC reasonable notice during the Term, including without limitation standards and specifications with respect to manufacturers and suppliers, sizing (e.g., cup and popcorn tub sizing), timing of delivery of concession supplies to Theatres, reimbursement of incremental costs (e.g., cups, floor mats, plates) and the like. LLC further covenants that the Lobby Promotions will not diminish or tarnish the reputation of Cinemark or unreasonably disrupt Theatre operations, including, without limitation, traffic flow or noise level, each as determined in Cinemark’s reasonable discretion, and that Lobby Promotions will comply with the content standards set forth in Section 4.03. LLC specifically agrees (i) that Lobby Promotions will contain only material that has received, or had it been rated would have received, an MPAA “G” or “PG” rating, (ii) that the only type of sampling that will be permitted is exit sampling, (iii) to refrain from distributing chewing gum as part of any Lobby Promotion, other than attended sampling as patrons are exiting the Theatre, (iv) not to permit a Lobby Promotion that would distribute or sample any item that is the same as or substantially similar to any item sold at the Theatre’s concession stand and (v) not to permit a Lobby Promotion involving fund raising on Theatre property.

(iii) LLC will be responsible for all costs and expenses associated with sourcing, production, delivery and execution of Lobby Promotions to the Theatres, including incremental costs actually incurred by the Theatres in connection with Lobby Promotions. In its discretion, Cinemark may make employees available to assist in Lobby Promotions requiring exit sampling; provided that LLC shall reimburse Cinemark for the employees’ time used to conduct the exit sampling at their customary wage.

(b) Digital Programming Services and Meeting Services. On the Effective

Date, LLC will make available to Digitized Theatres all Digital Programming Services and Meeting Services as set forth in Article 6.

Section 4.03 Content Standards. The Parties agree that (unless mutually agreed by the Parties with respect to clauses (i), (iii), (iv), (v) or (vi)) all content within the Service (including content for display in Digital Programming or Meeting Services) will not contain content or other material that: (i) has received, or had it been rated would have received, an MPAA "X" or "NC-17" rating (or the equivalent), (ii) promotes illegal activity, (iii) promotes the use of tobacco, sexual aids, birth control, firearms, weapons or similar products; (iv) promotes alcohol, except prior to "R"-rated films in the auditorium; (v) constitutes religious advertising (except on a local basis, exhibiting time and location for local church services); (vi) constitutes political advertising or promotes gambling; (vii) promotes theatres, theatre circuits or other entities that are competitive with Cinemark or LLC; (viii) would violate any of Cinemark's Beverage Agreements or the exclusive contractual relationships identified in the Specification Documentation (including renewals and extensions of the foregoing, but excluding any amendments or modifications thereto as such relate to such content standards) and any subsequent exclusive arrangement entered into by LLC with respect to the Theatres; or (ix) otherwise reflects negatively on Cinemark or adversely affects Cinemark's attendance as determined in Cinemark's reasonable discretion. Cinemark may, without liability, breach or otherwise, prevent and/or take any other actions with respect to the use or distribution of content that violates the foregoing standards; provided, that with respect to Section 4.03(ix), Cinemark may opt out of such content in the Services only with respect to Theatres in the geographic locations identified, which may include all of Cinemark's Theatres. If the Digital Content Service contains any content that violates the foregoing standards, LLC must remove such content as soon as reasonably practical, but no later than within 24 hours of Cinemark notifying LLC of such violation. If LLC fails to remove such content within such 24-hour period, Cinemark may discontinue the Digital Content Service in such auditoriums where such content is shown until the violating content is removed and shall have no liability for such discontinuation. If any other elements of the Service contain any content that violates the foregoing standards, LLC shall at Cinemark's request, or Cinemark acting on its own behalf may, upon giving written notice to LLC, remove such content immediately. If any Founding Member opts out of any Lobby Promotion or other advertising pursuant to Section 4.03(viii) or (ix) of this Agreement, the AMC Exhibitor Agreement or the Regal Exhibitor Agreement (as applicable) or out of any Video Display Program because of lack of equipment to display such content, or if any Founding Member does not agree to exhibit any content of the Advertising Services subject to Section 4.03(i), (iii), (iv), (v) or (vi), then LLC shall apply any revenue it is entitled to receive from such Advertising Services ("4.03 Revenue") to adjust payments of the Theatre Access Fee as set forth in Schedule 1.

Section 4.04 Development of the Service. All operational costs associated with LLC's procurement, preparation and delivery of the Service (including Inventory and other promotional materials as provided herein) to the Theatres shall be borne exclusively by LLC. Except as provided herein, all in-Theatre operational costs associated with Cinemark's receipt and exhibition of the Service within the Theatres shall be borne exclusively by Cinemark; provided that, upon prior written notice to and consultation with LLC, LLC shall reimburse Cinemark for its reasonable incremental out-of-pocket third party costs incurred in connection with receipt and exhibition of the Service within the Theatres. Any excess on-screen Inventory which may be made available to Cinemark in LLC's discretion pursuant to Section 5.04 or otherwise, and any other on-screen Inventory provided by Cinemark pursuant to Section 4.05, will be subject to both Parties' review and approval, which will not be unreasonably withheld. LLC will provide at its own expense all creative and post-production services necessary to ingest, encode and otherwise prepare for distribution all other on-screen Inventory as part of the Digital Content Service. All on-screen Inventory provided by Cinemark for inclusion in the Digital Content Service must (i) be submitted to LLC for review for compliance with (ii) and (iii) below as LLC may reasonably request, but in any event at least twenty (20) business days before scheduled exhibition (unless otherwise previously approved by LLC), (ii) satisfy the content restrictions enumerated in Section 4.03(i) through (vii) hereof, and (iii) be fully produced in accordance with LLC's technical specifications as promulgated by LLC from time to time (all as provided in written or electronic form to Cinemark in a reasonable time period prior to implementation, including any amendments thereto; and which are equally applied to all exhibitors), ready for exhibition, as well as in accordance with applicable LLC commercial standards and operating policies, and all applicable federal, state and local laws and regulations. LLC must reject or approve all Inventory provided by Cinemark within five (5) business days. Any such Inventory provided by Cinemark and not rejected within such time frame shall be deemed approved and incorporated into the Service. Any Inventory provided by Cinemark for review and approval by LLC need not, once approved by LLC, be resubmitted by Cinemark for approval in connection with any future use.

Section 4.05 **Brand; Policy Trailer; Branded Slots**.

(a) Branded Content. LLC agrees to create, in conjunction with and subject to Cinemark's prior approval, a Cinemark brand identity (the "Brand") that will surround, or "house," the Digital Content Service and include interstitial messaging ("bridges and bumps"), throughout the Play List and in the Policy Trailer, to reinforce the Brand. The interstitial messaging shall include a Pre-Feature Program introduction and close containing content branded with the Cinemark Marks. The close shall also include content branded with the marks of Cinemark's beverage concessionaire. The Brand shall not contain the display of any trademark, service mark, logo or other branding of a film, film studio(s), distributor(s), or production company(ies). In addition to the interstitial messaging, the Digital Content Service will feature (i) up to two (2) minutes for the promotion of Cinemark's internal business (the "Branded Slots") in each Play List, (ii) the Policy Trailer, to be created by LLC at the direction of Cinemark as part of the Creative Services, (iii) the Event Trailer, and (iv) any other content as may be agreed between Cinemark and LLC. The Parties hereby acknowledge that Cinemark has the right to exhibit the PSA Trailer after Showtime.

(b) Policy Trailer. The policy trailer will be (i) up to 60 seconds, (ii) exhibited in the Theatres after Showtime, and (iii) used to feature content relating to Theatre policy and operations, and may include (w) a policy service announcement that promotes appropriate theatre behavior, (x) promotions of Cinemark Concessions, (y) the display of any trademark, service mark, logo or other branding of a film studio(s), distributor(s), or production company(ies) and (z) upon prior written approval of Cinemark, other promotional materials of third-party products for which LLC sells advertising and is paid a fee (the "Policy Trailer").

(c) Branded Slot. Each Branded Slot may only exhibit Theatre Advertising.

LLC is required to include no less than forty-five (45) seconds of Branded Slots within the final fifteen (15) minutes of the Play List, fifteen (15) seconds of which shall be included within the final eleven (11) minutes of the Play List; provided, that LLC may begin these Branded Slots up to one minute earlier when LLC expands the amount of advertising units that follow these Branded Slots through the sale of additional advertising to third parties. LLC shall not exhibit any advertising relating to LLC after Cinemark's Branded Slot placement referred to in this Section 4.05(c).

(d) Restrictions. Other than as permitted in Sections 4.05(a), (b), (c) or Section 4.07, the Brand, the Policy Trailer or the Branded Slot will not include third-party advertising and/or third-party mentions for products and services, without LLC's prior written approval.

(e) Creative Services. The Brand messaging, Policy Trailer and Branded Slots may be created and edited by LLC as part of the Creative Services, in consultation with Cinemark, subject to final, mutual agreement of the Parties. LLC will provide Cinemark with up to 1,000 hours of Creative Services annually at no cost. Time spent on Creative Services and costs after the initial 1,000 hours shall be determined as described in Exhibit B. Cinemark may use other vendors for creative services at Cinemark's cost and subject to LLC's production standards.

(f) Traditional Content Program. The Traditional Content Program in Non-Digitized Theatres will contain, at a minimum, promotions for Cinemark's beverage and other Concessions.

Section 4.06 Beverage and Legacy Agreements.

(a) Beverage Agreements. LLC shall, through the expiration or other termination of Cinemark's Beverage Agreement in effect on the date hereof, display or exhibit, as applicable, as part of the Advertising Services, advertising Inventory meeting any and all specifications and requirements prescribed by the Beverage Agreement, including format, length (not to be longer than ninety (90) seconds), and placement within the Play List, as set forth in the Specification Documentation, with compliance by LLC to be within a reasonable time after such specifications are communicated from time-to-time by Cinemark to LLC in a written notice. In consideration for the advertising pursuant to the Beverage Agreement, Cinemark agrees to pay LLC at the advertising rates set forth on Exhibit B (the "Beverage Agreement Advertising Rate"). The Beverage Agreement Advertising Rate shall be paid on or before the last day of LLC's fiscal month following LLC's fiscal month in which the Advertising Services related to the Beverage Agreement were provided. Beginning after Cinemark's Beverage Agreement in effect on the date hereof expires or otherwise terminates through the end of the Term, Cinemark shall have the right to have included in the Advertising Services advertising Inventory for its beverage concessionaires at the then current Beverage Agreement Advertising Rate; provided that Cinemark (i) keeps LLC apprised of the status of negotiations with the beverage vendor (including likelihood of reaching agreement, advertising length and placement required), from the time such negotiations begin until an agreement is signed, and (ii) provides LLC notice (including advertising length and placement required) within two (2) business days after the date that Cinemark and its beverage concessionaire agree on terms for a new Beverage Agreement.

Cinemark shall be permitted to prescribe the length and placement within the Play List of on-screen Inventory based on the requirements of the Beverage Agreements which may then be in effect between Cinemark and such then-applicable beverage concessionaires; provided that such Inventory shall not exceed ninety (90) seconds in length for all such Beverage Agreements. Cinemark-redacted and/or Cinemark-selected (by disclosure or summary) contents of the Beverage Agreement shall only be disclosed as, and to the extent, required pursuant to this Agreement, provided such disclosure would not violate the terms of such Beverage Agreement.

(b) Cinemark Legacy Agreements.

(i) The Specification Documentation sets forth a list of the Cinemark Legacy Agreements, including the identity of each advertiser. On the Effective Date, Cinemark shall assign all rights and obligations arising from or out of each Cinemark Legacy Agreement to LLC.

(ii) This Agreement shall not constitute an assignment or transfer, or an attempted assignment or transfer, of any Cinemark Legacy Agreement, if and to the extent such agreement is a "Non-Assignable Legacy Agreement," meaning that the assignment or transfer of such Cinemark Legacy Agreement would constitute a breach of the terms of such Cinemark Legacy Agreement. Cinemark and LLC shall use commercially reasonable efforts to obtain a waiver to assignment of any Non-Assignable Legacy Agreement and in the meantime Cinemark shall pay to LLC all proceeds from any Legacy Agreement. To the extent that any waiver referred to in this Section 4.06(b) is not obtained by Cinemark, Cinemark shall also use commercially reasonable efforts to, at the request of LLC, enforce for the account of LLC any right of Cinemark arising from any Non-Assignable Legacy Agreement. LLC shall perform the obligations of Cinemark under or in connection with any Non-Assignable Legacy Agreement, except to the extent that LLC is not provided the benefits thereof in any material respect pursuant to this Section 4.06(b).

Section 4.07 Other Cinemark Advertising Agreements.

(a) Theatre Advertising. In addition to advertising Inventory referenced above in Sections 4.05 and 4.06, Cinemark may purchase, on an arm's length basis and subject to availability, as part of the Advertising Services, advertising Inventory for Theatre Advertising. Cinemark shall pay for Services pursuant to this Section 4.07(a) on or before the last day of LLC's fiscal month following LLC's fiscal month in which the Services were provided.

(b) Non-Theatre Advertising. Cinemark may enter into a cross-marketing arrangement designed to promote the Theatres and the movie-going experience with a local, regional or nationally-known vendor of products or services that are not of the type described in Theatre Advertising for the purpose of generating increased attendance at the Theatres or increased revenue for Cinemark (other than revenue from any Service) (the "Strategic Relationship") with advertising of such products or services being presented in the Theatres (either in the Video Display Program or in Lobby Promotions) ("Strategic Programs"), subject to the terms set forth in this Section 4.07(b). Strategic Programs may not be made on an exclusive basis. Cinemark covenants that it shall not re-sell any Advertising Services, including those received in connection with Strategic Programs. Strategic Programs shall be subject to the following limitations:

(i) Cinemark may conduct at no cost with respect to any Strategic Programs no more than (A) two (2) local or regional promotions per Flight per Theatre and (B) four (4) national promotions per year; provided, however, that no more than one national promotion may run at any time (the “Client Limitation”). By means of illustration, the Client Limitation for national promotions are not limited to a Flight, accordingly, one national promotion may run for twelve months, two national promotions may run for six months each provided that they do not run at the same time, four national promotions may run for three months each provided that they do not run at the same time, or another combination of national promotions may be used if there are no more than four promotions within a twelve-month period. For purposes of this Section 4.07(b), each continuously running promotion is counted as one promotion, regardless of whether such promotion is displayed using only one element (e.g., Lobby Screens) or displayed in an integrated basis using multiple elements (e.g., Lobby Screens and Lobby Promotions). Additionally, for purposes of this Section 4.07(b), a local or regional promotion is a promotion that is exhibited in Theatres located within one or two contiguous Designated Marketing Areas (as defined by the term DMA®, a registered trademark of Nielsen Marketing Research, Inc.), and a national promotion is a promotion that is exhibited in Theatres located within two (other than two contiguous) or more Designated Marketing Areas.

(ii) With respect to Strategic Programs in the Video Display Program (“Strategic LEN Promotions”), Cinemark may utilize at no cost up to one minute of time for its Strategic Programs per every thirty (30) minutes of the Video Display Program advertising. Cinemark may purchase an additional one minute for every thirty (30) minutes of the Video Display Program advertising for use in Strategic Programs at the applicable rate card rate for third-party advertising established by LLC for such Video Display Program advertising inventory. Any purchase of time for Strategic LEN Promotions in excess of the two minutes described above or any utilization of Strategic LEN Promotions in excess of the Client Limitation may be obtained at rate card rates and subject to availability, only with prior written consent of LLC, acting in its sole discretion. Strategic LEN Promotions may not be displayed on any Lobby Screens that, pursuant to Section 4.01(c), are displaying internal programming of Cinemark and may not be made to promote any film, film studio(s), distributor(s) or production company(ies).

(iii) With respect to Strategic Programs through Lobby Promotions (“Strategic Lobby Promotions”), Cinemark may utilize only such type and number of Inventory that is available to LLC in the applicable Theatre(s) on a pre-approved basis; provided, however, vehicle/motorcycle displays and floor mats will not be available for use in Strategic Lobby Promotions. Cinemark may purchase an additional amount of Inventory in excess of the Strategic Lobby Promotions described above or in excess of the Client Limitation at rate card rates and subject to availability, only with prior written consent of LLC, acting in its sole discretion.

Section 4.08 Cinemark Run-Out Obligations.

(a) Encumbered Theatres. Cinemark agrees to provide LLC written notice as much in advance as is reasonably practicable under the circumstances of, and to furnish LLC true and correct copies (reasonably redacted by Cinemark and subject to confidentiality) of all documentation evidencing, all valid, pre-existing contractual obligations (the "Run-Out Obligations") relating to any of the advertising, promotional and event activities and services in any Acquisition Theatres (collectively, the "Encumbered Theatres"); provided such disclosure does not violate the terms of any such agreements.

(i) Agreements with advertisers that purchase advertising are Legacy Agreements and do not create Run-Out Obligations. Cinemark shall, effective upon acquisition of the Acquisition Theatre, terminate any agreements between Cinemark and an Affiliate relating to advertising, promotional and event activities and services in any Acquisition Theatre, so that any such agreements do not create Run-Out Obligations.

(ii) Cinemark and/or its Affiliates (as applicable) shall be permitted to abide by the terms of the Run-Out Obligations; however, Cinemark agrees, subject to legal constraints (if any), to use commercially reasonable efforts to obtain the termination of such Run-Out Obligations, including without limitation neither extending nor renewing such Run-Out Obligations (provided that Cinemark shall have no obligation to make any payment in connection with obtaining the termination of such Run-Out Obligations). Cinemark further agrees not to enter into any new agreement with any third party with respect to any Encumbered Theatre, or amend or modify any Run-Out Obligation, to the extent such agreement, amendment or modification would be inconsistent with the rights of LLC under Section 2.04 or have the effect of any extension. Prior to the expiration of the Run-Out Obligations, each Encumbered Theatre may, upon the mutual agreement of LLC and Cinemark, become a Theatre with respect to some or all Services, provided such election does not create a default under any Run-Out Obligation. In any event, except in accordance with Section 4.13 (Excluded Theatres; IMAX Screens) or as may be mutually agreed by the Parties in writing, each Encumbered Theatre shall automatically become a Theatre, for all purposes hereof, no later than the expiration of the Run-Out Obligations with respect to such Encumbered Theatre.

(b) Exclusive Run-Out Obligations. With respect to each Service for which the third party to the Run-Out Obligations has exclusive rights as a service provider, if Cinemark has provided LLC with written notice of Cinemark's intent to receive additional equity in LLC with respect to the Encumbered Theatres pursuant to the Unit Adjustment Agreement, Cinemark shall, until such Run-Out Obligations have terminated, make a quarterly Exclusivity Run-Out Payment (as defined in Schedule 1) to LLC. Any such payments shall be made on or before the last day of LLC's fiscal month following the fiscal quarter in which Cinemark receives the Services from the third party to the Run-Out Obligations.

(c) Non-Exclusive Run-Out Obligations. With respect to each Service for which the third party to the Run-Out Obligations has non-exclusive rights as a service provider, if Cinemark has provided LLC with written notice of Cinemark's intent to receive additional equity in LLC with respect to the Encumbered Theatres pursuant to the Unit Adjustment Agreement, Cinemark shall, until such Run-Out Obligations have terminated, pay LLC ***. Any such payments shall be made on or before the last day of LLC's fiscal month following the fiscal quarter in which Cinemark receives third party payment for the Services.

(d) Beverage Agreement Advertising Rate and Encumbered Theatres. If

Cinemark has provided LLC with written notice of Cinemark's intent to receive additional equity in LLC with respect to the Encumbered Theatres prior to termination of the Run-Out Obligations pursuant to the Unit Adjustment Agreement, the attendance at Encumbered Theatres shall be included in the calculation of the Beverage Agreement Advertising Rate.

Section 4.09 License. LLC hereby grants to Cinemark and its Affiliates a limited, non-exclusive, non-transferable, non-sublicenseable license in the Theatres only (i) to receive, store, display and exhibit the Digital Content Service, the Traditional Content Program and the Digital Carousel, as applicable, on the LLC Equipment and the Cinemark Equipment solely in connection with its performance of and subject to all of the terms and conditions of this Agreement, and (ii) subject to LLC's prior written consent, to prepare and distribute promotional materials based, in whole or in part, on the Service solely to the extent necessary to promote the Service as permitted in Section 6.03 below. Cinemark may not alter intentionally the Digital Content Service, the Traditional Content Program or the Digital Carousel or otherwise intentionally exhibit the Digital Content Service, the Traditional Content Program or the Digital Carousel in a manner resulting in a change to the Digital Content Service, Traditional Content Program or Digital Carousel or any related on-screen Inventory, nor may Cinemark use or make the Digital Content Service, Traditional Content Program or Digital Carousel available for any purpose, at any location, or in any manner not specifically authorized by this Agreement, including without limitation recording, copying or duplicating the Digital Content Service, Traditional Content Service or Digital Carousel or any portion thereof. Cinemark shall at all times receive and exhibit the Digital Content Service or Traditional Content Program and Digital Carousel in accordance with such policies and procedures of LLC that are provided in advance to Cinemark and consistently applied with respect to other exhibitors from time to time. Each Party shall be solely responsible for obtaining and providing all rights, licenses, clearances and consents necessary for the use of any Inventory it sources or creates (whether or not it sources or creates such Inventory on behalf of the other Party), or that is prepared or provided by third parties on its behalf, as contemplated herein, except as may otherwise be agreed by the Parties in writing.

Section 4.10 Cooperation and Assistance. The Parties agree that the effectiveness and quality of the Service as provided by LLC are dependent on the cooperation and operational support of both Parties.

(a) Cinemark. Cinemark agrees that it (and each of the Theatres) shall at all times during the Term provide LLC, at Cinemark's own cost except as otherwise provided in this Agreement, with the following:

(i) internal resources and permissions as reasonably required to effectuate delivery of the Service, including without limitation projection and sound technicians and other employees to assist with LLC Equipment installation and Digital Content Service, Digital Programming Services and Meeting Services transmission;

(ii) unless unavailable, 24 (hour) by 7 (day) "real time" access via Cinemark's network assets in conformity with Cinemark's network use and security policies (provided in advance to LLC and consistently applied with respect to other Cinemark service providers) to the in-Theatre software and hardware components of the Digital Content Network, consistent with the Service Level Agreements (as set forth in the Specification Documentation), so that LLC can monitor the distribution and playback of the Service and the Parties will reasonably cooperate to ensure that corrections or changes are made as required to deliver the Service;

(iii) detailed playback information in a form, whether electronic or hard copy, and at such times as either Cinemark or LLC shall reasonably request;

(iv) prompt notification of reception, playback or other technical problems associated with receipt of the Service;

(v) the results of quality audits performed by Cinemark periodically during the Term upon LLC's request and at its direction to confirm playback compliance;

(vi) adequate opportunities to train Cinemark personnel, as provided in Section 3.06;

(vii) attendance data film-by-film, rating-by-rating and Theatre-by-Theatre for all Theatres, in an electronic form and in a format agreed by the Parties, at such times as are consistent with Cinemark's internal reporting systems but in any event at least weekly;

(viii) on a monthly, quarterly and annual basis as requested by LLC from time to time, a list of all Theatres, including (i) identification of which Theatres are Digitized Theatres, (ii) the number of total screens and digital screens at each Theatre and for all Theatres at which Advertising Services are provided, (iii) identification of any Theatres that are not equipped with at least one Lobby Screen to display the Video Display Program, (iv) attendance for screens on which Advertising Services are provided (by Theatre and in total), including separate identification of attendance for screens on which Advertising Services under the Beverage Agreement is provided (if different); (v) upon LLC's request, identification of Theatres in which Advertising Services are not provided, and the attendance and number of screens at such theatres; (vi) estimated Theatre opening and closing dates; and (vii) such other information described in the Specification Documentation, as such may be amended from time to time by mutual agreement of the Parties;

(ix) Cinemark's budgeted attendance by theatre (and by month if Cinemark budgets on a monthly basis) for the next full fiscal year once approved by Cinemark's board, and; and

(x) such other information regarding the Services as LLC may reasonably request from time to time, as Cinemark agrees to provide in its sole discretion;

(b) LLC. LLC agrees that it shall at all times during the Term provide Cinemark, at LLC's own cost except as otherwise provided in this Agreement, with the following:

(i) on a weekly basis, a report of compliance by each Digitized Theatre with on-screen advertising requirements and reasons for any noncompliance, including a report of compliance relating to the Beverage Agreement (the "Beverage Compliance Report");

(ii) on a weekly basis, a representative Play List of national advertising, which LLC shall make available no later than two business days prior to the day on which the Play List be implemented;

(iii) on a monthly basis, a report regarding local advertising.

(c) Confidentiality. For the avoidance of doubt, information made available subject to this Section 4.10 shall be subject to the provisions of Section 14.01 (Confidential Treatment); provided however, that LLC agrees that Cinemark shall be permitted to provide the Beverage Compliance Report to its beverage concessionaire. Cinemark agrees to be included in any compliance reporting LLC provides to its advertisers and other content providers for proof of performance.

Section 4.11 Trailers. Trailers that are exhibited in the Theatres shall not include the exhibition or display of any trademark, service mark, logo or other branding of a party other than the film studio(s), distributor(s), production company(ies); provided, however, Trailers may include incidental images of products or services which appear in the motion picture (e.g., product placements).

Section 4.12 Customer Access to Pre-Feature Program. Cinemark shall use commercially reasonable efforts to provide audiences access to the Theatre auditorium for the Pre-Feature Program or Traditional Content Program not less than 20 minutes prior to Showtime.

Section 4.13 Excluded Theatres; IMAX Screens.

(a) Excluded Theatres. Cinemark shall have the right to designate art house and draft house theatres that for purposes of this Agreement shall be "Excluded Theatres"; provided, however, that the aggregate annual attendance at all such Excluded Theatres on the date of designation shall not exceed four (4) percent of the aggregate annual attendance at the Theatres. The list of Excluded Theatres identified as of the Effective Date is set forth in the Specification Documentation. Cinemark shall provide written or electronic notice to LLC, in the form specified by LLC, each time there is a change in its list of Excluded Theatres. Excluded Theatres shall not be deemed Theatres for purposes of this Agreement; provided, however, that upon mutual agreement of the Parties one or more Excluded Theatres may participate in Digital Programming Services and Meeting Services pursuant to Article 6. Excluded Theatres will not receive Advertising Services; provided, however, that upon mutual agreement of the Parties one or more Excluded Theatres may participate in Event Sponsorships with respect to a particular event included in the Digital Programming Services. Excluded Theatres will not be considered for purposes of the calculation of Theatre Access Fees (although Cinemark will be entitled to the revenue share allocable for Digital Programming and Meeting Services events in Excluded Theatres, as set forth in Exhibit B). Notwithstanding the foregoing, Excluded Theatres will be subject to the exclusivity obligations of Cinemark, as set forth in Section 2.04 to the same extent as a Theatre hereunder. With respect to any Theatre subsequently designated as an Excluded Theatre, the parties will negotiate in good faith terms for the discontinuation of delivery of the Service to such Excluded Theatre.

(b) IMAX Screens. All Theatre screens dedicated to the exhibition of films using "IMAX" technology shall be deemed "IMAX Screens." IMAX Screens will not receive, and Cinemark will have no duty to exhibit on any IMAX Screen, the Digital Carousel, the Pre-Feature Program or the Traditional Content Program; provided however, that Cinemark may elect to exhibit the Digital Carousel, the Pre-Feature Program or the Traditional Content Program on its IMAX Screens in its sole discretion. Notwithstanding the foregoing, all IMAX Screens will be subject to the exclusivity obligations of Cinemark, as set forth in Section 2.04 to the same extent as a Theatre hereunder. Cinemark will provide LLC prompt written or electronic notice, in the form specified by LLC, of any additions to or deletions from its list of IMAX Screens, which list is provided in the Specification Documentation.

Section 4.14 Grand Openings; Popcorn Tubs; Employee Uniforms. Notwithstanding anything herein to the contrary, Cinemark shall not be prohibited from: (i) promoting the grand opening of a Theatre or an Excluded Theatre, provided such promotional activity (A) may occur only for the fourteen (14) day period immediately preceding the opening of the theatre to the general public through the fourteen (14) day period immediately following the opening of the theatre to the general public, and (B) includes local advertising of such opening in exchange for the advertising of local businesses only, provided any on-screen advertising related thereto shall be subject to availability of on-screen Inventory and limited to one (1) advertisement thirty (30) seconds in length; (ii) placing advertising promoting full-length feature films on special popcorn tubs (such as plastic or oversized containers not regularly sold by Cinemark) sold in Theatres or Excluded Theatres, provided Cinemark shall (A) provide LLC one hundred twenty (120) days prior notice of Cinemark's desire to conduct such promotion and permit LLC sixty (60) days to sell promotional advertising for such special popcorn bags/tubs, and if LLC cannot sell advertising for such special popcorn tubs within such sixty (60) day period then Cinemark shall have the right to sell such advertising, (B) be limited to two (2) such promotions in any twelve (12) month period during the Term, (C) not conduct any such promotion over a period exceeding thirty (30) days, and (D) not sell such advertising below the lowest total rate card amount received by LLC for popcorn bags; and (iii) allowing advertising for the supplier of Cinemark employee uniforms to appear on such uniforms, provided not more than two (2) individual instances of such advertising may appear on any such uniform at any one time. Cinemark will provide LLC reasonable advance written notice of any promotion under this Section 4.14 (collectively, "Special Promotions") and LLC will have the right to approve each such Special Promotion. LLC may not unreasonably withhold, condition or delay its approval, provided that LLC shall be permitted to withhold its approval from any such Special Promotion that is inconsistent with any exclusive obligation of LLC then in force, or otherwise interferes with the current or proposed business activities of LLC as reasonably determined by LLC. Any cash consideration paid by a third party in connection with a Special Promotion relating to any Service shall be paid to LLC.

Section 4.15 Consultation regarding Certain Advertising Agreements.

(a) Theatre Advertising. Prior to either Party entering into an exclusive agreement for longer than one Flight with any third party for Theatre Advertising, the contracting Party will give the other Party written notice not less than twenty (20) days in advance of the contract date, and the Parties will consult in good faith to confirm that such exclusive arrangement does not conflict with any exclusive arrangements the other Party has entered into or contemplates entering into; provided however, this notice shall not apply to entry into the Beverage Agreement by Cinemark. Notwithstanding the foregoing, if the Parties have satisfied the foregoing provisions of this Section 4.15(a) and identified a conflict of interest regarding an agreement with exclusivity, Cinemark's exclusivity interests shall prevail.

(b) Strategic Relationships. Cinemark shall not enter into any Strategic Relationship that conflicts with any existing or proposed exclusive advertising or promotional arrangement between LLC and a third party for which LLC has provided prior written notice, which may be by electronic mail, to Cinemark's designated representative(s) of such existing or proposed exclusive arrangement, including the identity of the other party, the length of time, and type of category of such exclusive arrangement, and specifically in connection with a proposed exclusive arrangement the anticipated start date of such arrangement. Cinemark may enter into any Strategic Relationship that conflicts with a proposed exclusive arrangement prior to the anticipated start date of such arrangement. Further, in the event that LLC is unable to enter into a definitive agreement with respect to such proposed exclusive arrangement within sixty (60) days after such notice by LLC to Cinemark of such proposed exclusive arrangement, which notice may not be provided more than once in any twelve month period, then Cinemark shall have the right to enter into any such Strategic Relationship.

ARTICLE 5

SUPPORT; MAKE GOODS

Section 5.01 Software Support. LLC reserves the right to request of Cinemark and agrees to consult with Cinemark during the Term on any proposed material changes or updates to the Software. LLC shall make available to Cinemark pursuant to the terms of the license in Section 7.01 below all such updates or modifications to the Software. Unless otherwise agreed to in writing by LLC, Cinemark shall not permit any third party to perform or provide any maintenance or support services with respect to the LLC Equipment or the Software.

Section 5.02 Cooperation. Cinemark agrees to take all actions during the Term that are within its control and reasonably necessary to permit the delivery, exhibition and viewing of the Service in the Theatres on the terms and conditions set forth herein.

Section 5.03 Make Goods. In the event that any Inventory scheduled for exhibition pursuant to Sections 4.06(a), 4.06(b) or 4.07 is not exhibited as scheduled, LLC shall take such action or provide such remedy as is required pursuant to the applicable Cinemark advertising agreement, including the exhibition of "make good" Inventory sufficient to achieve the level of Inventory content impressions necessary to satisfy any contractual obligations governing the exhibition of such Inventory. Cinemark acknowledges and agrees that such contractual obligations must have been timely disclosed to LLC in writing as a condition to the exercise of the foregoing exclusive right and remedy; such obligations as of the Effective Date have been provided by Cinemark to LLC in a separate letter. To the extent such third-party agreement prescribed a "make good" remedy, Cinemark agrees to make its Theatres (including screens and Lobby Screens, as applicable) available for the exhibition of such "make goods," and LLC agrees to exhibit such "make goods" consistent with any contractual obligations of Cinemark concerning the exhibition of such "make goods." LLC reserves the right to use excess or unsold Inventory as "make goods," remnant advertising, other revenue generating advertising, public service announcements, and the like. Notwithstanding the foregoing, LLC shall only be required to make any payment of moneys (including a refund of amounts paid by the applicable advertiser) in the event that the reason that the applicable Inventory was not exhibited or was exhibited in an incorrect position was primarily a result of actions or inactions by LLC (or its designees or assigns) and the applicable advertising agreement does not allow, or LLC otherwise does not provide, a remedy of exhibition of "make good" Inventory.

ARTICLE 6

DIGITAL PROGRAMMING SERVICES AND MEETING SERVICES

Section 6.01 Participation in Digital Programming. All Digitized Theatres with the necessary equipment to exhibit an event are available for Digital Programming Services either automatically or subject to Cinemark's approval, based on criteria specified in Exhibit B. The Parties agree that Cinemark will pay LLC a percentage of ticket revenue as set forth on Exhibit B for Digital Programming Services described on Exhibit A, Section B.

Section 6.02 Participation in Meeting Services. Cinemark shall make its Theatres available for Meeting Services either automatically or subject to Cinemark's approval, based on criteria specified in Exhibit B. The Parties agree that Cinemark will be compensated for use of its auditoriums as set forth on Exhibit B for the Meeting Services as described on Exhibit A, Section C.

Section 6.03 Marketing and Promotion of Digital Programming Services and Meeting Services

(a) The Parties have agreed to develop and implement a plan to market and promote the Digital Programming Services to current and potential Theatre patrons on an event-by-event basis. This marketing plan will include at least one digital trailer (the "Event Trailer") to promote events or a series of events distributed to the applicable Digitized Theatres and other Digitized Theatres in the designated market area. If LLC is promoting only one Digital Programming event, the relevant Event Trailer shall not be longer than thirty (30) seconds, and if LLC is promoting more than one Digital Programming event, the aggregate time of the Event Trailers shall not exceed 40 seconds. The Event Trailer shall be limited to a promotion for an applicable event and if displayed after Showtime shall not include any (i) product placement or mention nor (ii) logo placement, except for company names and logos that are incidental to the sponsoring of such event, without the prior written approval of Cinemark which approval shall not be unreasonably withheld. Notwithstanding the foregoing, Cinemark shall, in its discretion, determine whether and in which Theatres to exhibit an Event Trailer after Showtime. If Cinemark chooses not to display the Event Trailer after Showtime in all Theatres in the designated market area where Cinemark is exhibiting the Digital Programming event, LLC may refuse to distribute the Digital Programming event to any of Cinemark's Theatres in such designated market area.

(b) LLC may request access to Cinemark's customer databases, in connection with marketing of Digital Programming Services events, which request may be denied in Cinemark's sole and absolute discretion.

(c) Marketing and promotion materials created for Digital Programming Services and Meeting Services shall be created as mutually agreed from time to time, in accordance with the content standards set forth in Section 4.03. LLC agrees to include bridges and bumps, prior to and following a Digital Programming Services event, to reinforce branding for the Digital Programming Service.

Section 6.04 **Concessions, Sponsorships**. Cinemark shall retain all revenue from Concession sales associated with Digital Programming Services and Meeting Services. LLC reserves the right, as part of the Advertising Services, to arrange third party sponsorship of Digital Programming Services and Meeting Services, provided that no such sponsor may be a theatre or theatre circuit which is a competitor of Cinemark, and provided that such sponsorship is in conformance with the content restrictions enumerated in Section 4.03(i) through (ix) hereof.

Section 6.05 **LLC's First Right**. Cinemark will submit to LLC for consideration by LLC any event opportunities that are identified by or presented to Cinemark and that would ordinarily fall within the definition of Digital Programming Services and Meeting Services. Should LLC elect not to enter into a contract for such events in the Digital Programming Services or Meeting Services within 30 days after such submission by Cinemark, then Cinemark may pursue such event opportunities independent of LLC, and Cinemark shall retain any and all revenues resulting from such event. LLC agrees to keep Cinemark informed of the progress in negotiating any contract for such events referred by Cinemark.

Section 6.06 **Digital Programming Content**. When sourcing digital content programming for Digital Programming Services and Meeting Services, LLC agrees to exercise commercially reasonable efforts to source content from a variety of providers. Such content must have received, or be such that, had it been rated, it would have received, an MPAA rating of "G," "PG," "PG-13" or "R" (or the equivalent).

Section 6.07 **Use of Digital Content Network.** Cinemark shall have the right to use the Digital Content Network for the delivery of (a) any Digital Films, Trailers or PSA Trailer, and (b) any event submitted to, and rejected by, LLC pursuant to Section 6.05, and Cinemark shall pay LLC an Administrative Fee for such use as set forth in Exhibit B.

ARTICLE 7

INTELLECTUAL PROPERTY

Section 7.01 **Software License.** Subject to the terms and conditions of this Agreement and the License Agreement, LLC hereby grants to Cinemark, and Cinemark hereby accepts, a non-exclusive, non-transferable, non-sublicenseable, limited license to install and execute the object code version of the Software solely for the limited purpose to receive, store, display and exhibit the Digital Content Service, the Traditional Content Program and the Digital Carousel, as applicable, on the LLC Equipment and the Cinemark Equipment solely in connection with its performance of and subject to all of the terms and conditions of this Agreement and only to the extent such Software is utilized by Cinemark.

Section 7.02 **License of the LLC Marks**.

(a) Subject to the terms and conditions of this Agreement and any guidelines or requirements provided in writing from time-to-time by LLC to Cinemark, LLC hereby grants at no additional cost to Cinemark, and Cinemark hereby accepts, a non-exclusive, non-transferable (except in connection with an assignment of this Agreement in accordance with Section 15.08 hereof), nonsublicenseable, limited license (i) to use the LLC Marks solely in connection with its participation in the Service, as approved by LLC in writing in advance (which shall not be unreasonably or untimely withheld), and (ii) to use the LLC Marks in marketing or advertising materials ("Marketing Materials") that have been approved (which shall not be unreasonably or untimely withheld) by LLC pursuant to the terms hereof, provided and to the extent LLC shall have authorized Cinemark to promote the Service. Cinemark acknowledges that LLC is and shall remain the sole owner of the LLC Marks, including the goodwill of the business symbolized thereby. Cinemark recognizes the value of the goodwill associated with the LLC Marks and acknowledges and agrees that any goodwill arising out of the use of the LLC Marks or any of them by Cinemark shall inure to the sole benefit of LLC for all purposes hereof.

(b) Prior to using any Marketing Material or depicting or presenting any LLC Mark in or on any marketing or advertising material or otherwise, Cinemark shall submit a sample of such Marketing Material or other material to LLC for approval. LLC shall exercise commercially reasonable efforts to approve (which shall not be unreasonably withheld) or reject any such Marketing Material or other material submitted to it for review within five (5) business days from the date of receipt by LLC. Cinemark shall not use, publish, or distribute any Marketing Material or other material unless and until LLC has so approved it in writing. Upon receipt of such approval from LLC for a particular Marketing Material or other material, Cinemark shall not be obligated to submit to LLC substantially similar material for approval; provided, however, Cinemark shall timely furnish samples of all such material to LLC.

(c) Any and all use or exercise of rights by Cinemark with respect to the LLC Marks or any other trademark, tradename, service mark or service name provided by LLC to Cinemark for use in connection with the Services shall be in accordance with standards of quality and specifications prescribed by LLC from time to time (the "LLC Quality Standards") and which have been delivered to Cinemark. LLC shall have the right to change the LLC Quality Standards from time to time upon written notice to Cinemark, provided such modified LLC Quality Standards are equally and timely applied to any and all other exhibitors of the Service.

(d) Cinemark shall cause the appropriate designation "(TM)" or "(SM)" or the registration symbol "(R)" to be placed adjacent to the LLC Marks in connection with the use thereof and to indicate such additional or alternative information as LLC shall specify from time to time concerning the use by Cinemark of the LLC Marks as such is, equally and timely communicated and applied to any and all other exhibitors of the Service.

(e) Cinemark shall not use any LLC Mark in any manner that may reflect adversely on the image or quality symbolized by the LLC Mark, or that may be detrimental to the image or reputation of LLC. Notwithstanding anything herein to the contrary, LLC shall have the right, at its sole option, to terminate or suspend the trademark license grant provided herein if it determines that Cinemark's use of the LLC Marks or any of them is in violation of its trademark usage guidelines or is otherwise disparaging to its image or reputation, and such use is not conformed to such guidelines and other reasonable requests of LLC within ten (10) days of receipt of written notice thereof.

(f) Cinemark agrees not to use (i) any trademark or service mark which is confusingly similar to, or a colorable imitation of, any LLC Mark or any part thereof, (ii) any trademark or service mark in combination with any LLC Mark, except in the case of the Brand as created by LLC under the terms of Section 4.05(b) or (iii) any LLC Mark in connection with or for the benefit of any product or service of any other Person or entity, except in the case of the Brand as created by LLC under the terms of Section 4.05(b). Cinemark shall not engage in any conduct which may place LLC or any LLC Mark in a negative light or context, and shall not represent that it owns or has any interest in any LLC Mark other than as expressly granted herein, nor shall it contest or assist others in contesting the title or any rights of LLC (or any other owner) in and to any LLC Mark.

(g) With respect to all of LLC's approvals, rights and otherwise under this Section 7.02, LLC shall treat Cinemark at least as favorably with respect to each instance as it has for any other exhibitor of the Service.

Section 7.03 License of the Cinemark Marks.

(a) Subject to the terms and conditions of this Agreement, and any guidelines or requirements provided in writing from time-to-time by Cinemark to LLC, Cinemark hereby grants at no cost to LLC, and LLC hereby accepts, a non-exclusive, non-transferable (except in connection with an assignment of this Agreement in accordance with Section 15.08 hereof), nonsublicenseable, limited license (i) to use the Cinemark Marks solely in connection with its delivery of the Service, as approved (which shall not be unreasonably or untimely withheld) by Cinemark in writing in advance, and (ii) to use the Cinemark Marks in Marketing Materials that have been approved (which shall not be unreasonably or untimely withheld) by Cinemark pursuant to the terms hereof. LLC acknowledges that Cinemark is and shall remain the sole owner of the Cinemark Marks, including the goodwill of the business symbolized thereby. LLC recognizes the value of the goodwill associated with the Cinemark Marks and acknowledges and agrees that any goodwill arising out of the use of the Cinemark Marks by LLC shall inure to the sole benefit of Cinemark for all purposes hereof.

(b) Prior to using any Marketing Material or depicting or presenting any Cinemark Mark in or on any marketing or advertising material or otherwise, LLC shall submit a sample of such Marketing Material or other material to Cinemark for approval. Cinemark shall exercise commercially reasonable efforts to approve (which shall not be unreasonably withheld) or reject any such Marketing Material or other material submitted to it for review within five (5) business days from the date of receipt by Cinemark LLC shall not use, publish, or distribute any Marketing Material or other material unless and until Cinemark has so approved it in writing. Upon receipt of such approval from Cinemark for a particular Marketing Material or other material, LLC shall not be obligated to submit to Cinemark substantially similar material for approval; provided, however, LLC shall timely furnish samples of all such material to Cinemark.

(c) Any and all use or exercise of rights by LLC with respect to the Cinemark Marks or any other trademark, tradename, service mark or service name provided by Cinemark to LLC for use in connection with the Services shall be in accordance with standards of quality and specifications prescribed by Cinemark from time to time (the “Cinemark Quality Standards”) and provided to LLC. Cinemark shall have the right to change the Cinemark Quality Standards from time to time upon written notice to LLC.

(d) LLC shall cause the appropriate designation “(TM)” or “(SM)” or the registration symbol “(R)” to be placed adjacent to the Cinemark Marks in connection with the use thereof and to indicate such additional or alternative information as Cinemark shall specify from time to time concerning the use by LLC of the Cinemark Marks as such is equally and timely communicated and applied to any and all other licensees of the Cinemark Marks.

(e) LLC shall not use any Cinemark Mark in any manner that may reflect adversely on the image or quality symbolized by the Cinemark Mark, or that may be detrimental to the image or reputation of Cinemark. Notwithstanding anything herein to the contrary, Cinemark shall have the right, at its sole option, to terminate or suspend the trademark license grant provided herein if it determines that LLC’s use of the Cinemark Marks or any of them is in violation of its trademark usage guidelines or is otherwise disparaging to its image or reputation, and such use is not conformed to such guidelines and other reasonable requests of Cinemark within ten (10) days of receipt of written notice thereof.

(f) LLC agrees not to use (i) any trademark or service mark which is confusingly similar to, or a colorable imitation of, any Cinemark Mark or any part thereof, (ii) any trademark or service mark in combination with any Cinemark Mark, except for the LLC Marks as permitted under this Agreement or (iii) any Cinemark Mark in connection with or for the, benefit of any product or service of any other Person or entity, except for the LLC Marks as permitted under this Agreement. LLC shall not engage in any conduct which may place Cinemark or any Cinemark Mark in a negative light or context, and shall not represent that it owns or has any interest in any Cinemark Mark other than as expressly granted herein, nor shall it contest or assist others in contesting the title or any rights of Cinemark (or any other owner) in and to any Cinemark Mark.

Section 7.04 **Status of the LLC Marks and Cinemark Marks**. Without expanding the rights and licenses granted under this Agreement, the Parties acknowledge and agree that (a) the rights and licenses granted under this Agreement to use the LLC Marks and Cinemark Marks permit the use of the Cinemark Marks in combination or connection with the LLC Marks, (b) the use of the Cinemark Marks in combination or connection with the LLC Marks, whether in the Brand, Policy Trailer, Branded Slots, Marketing Materials or otherwise in connection with the participation in or delivery of the Service, will not be deemed to create a composite or combination mark consisting of the Cinemark Marks and the LLC Marks, but instead will be deemed to create and will be treated by the Parties as creating a simultaneous use of the LLC Marks and Cinemark Marks as multiple separate and distinct trademarks or service marks, (c) neither Party will claim or assert any rights in a composite mark consisting of elements of the LLC Marks and Cinemark Marks, and (d) all use of the Cinemark Marks and the LLC Marks under this Agreement will be subject to the provisions regarding the use and ownership of the Cinemark Marks and LLC Marks contained in this Agreement.

ARTICLE 8

FEES

Section 8.01 Payment. Except as otherwise provided in this Agreement (e.g., payment of the Theatre Access Fees pursuant to Section 2.05(b)), all amounts due by one Party to the other under this Agreement shall be paid in full within thirty (30) days after the receipt by the paying Party of an invoice therefor. Each Party agrees that invoices for amounts payable by the other Party will not be issued until the event triggering such payment obligation has occurred, or the condition triggering such payment obligation has been satisfied, as applicable.

Section 8.02 Audit. Each Party shall keep and maintain accurate books and records of all matters relating to the performance of its obligations hereunder, including without limitation the sale of advertising, in accordance with generally accepted accounting principles. During the Term and for a period of one (1) year thereafter, each Party, at its sole expense, shall, upon reasonable advance written notice from the other Party, make such books and records (redacted, as applicable, to provide information relative to the Service and this Agreement) available at its offices for inspection and audit by the other Party, its employees and agents. Any audit with respect to amounts payable by either Party to the other Party under this Agreement shall be limited to an audit with respect to amounts to be paid in the current calendar year and immediately preceding calendar year only. Any period that has been audited pursuant to this section shall not be subject to any further audit. In the event an audit of the books and records of a Party reveals an underpayment to the other Party, the audited Party shall pay to the other Party the amount of such underpayment within 30 days of the completion of the audit. If such audit determines that the underage in payments paid to a Party were in the aggregate in excess of five percent (5%) of the payments owed, the Party owing the payment shall, in addition to making the payment set forth above, reimburse the Party receiving the payment for all reasonable costs, expenses and fees incurred in connection with such audit. Any disputes between the Parties relating to the calculation of amounts owed shall be referred to a mutually satisfactory independent public accounting firm that has not been employed by either Party for the two (2) year period immediately preceding the date of such referral. The determination of such firm shall be conclusive and binding on each Party, and judgment upon any such determination can be entered in any court having jurisdiction over the matter. Each Party shall bear one-half of the fees of such firm. If the Parties cannot select such accounting firm, then the selection of such accounting firm shall be made by the American Arbitration Association located in New York, New York. In addition to the foregoing audit rights of the Parties, during the Term LLC and its authorized agents shall have the right, upon reasonable advance notice, to inspect any Cinemark premises or facilities involved in the performance of this Agreement to confirm the performance and satisfaction of Cinemark’s obligations hereunder.

ARTICLE 9

TERM AND TERMINATION

Section 9.01 Term.

(a) Duration. Unless earlier terminated as provided below, the term of this

Agreement, except with respect to Digital Programming Services and Meeting Services, shall begin on the Effective Date and shall continue through February 13, 2037 (the "Initial Term"), after which Cinemark shall have the right to renew this Agreement on the terms as set forth in this Agreement for continuous, successive five-year periods (each, a "Renewal Term," and together with the Initial Term, the "Term"). Cinemark shall give LLC written notice of any intent to exercise its right to renew at least thirty (30) days prior to the expiration of the Initial Term and any Renewal Term. The Parties shall, for a period of six (6) months commencing eighteen (18) months before the conclusion of the Initial Term and any Renewal Term, negotiate in good faith terms, if any, on which they may agree to extend the Initial Term or any Renewal Term, and, if such agreement is reached, this Agreement shall be amended to incorporate such terms. Unless this Agreement is extended by Cinemark, this Agreement may only be extended by subsequent written agreement of the Parties. Prior to and during such six (6) month period, Cinemark shall not enter into or conduct any negotiations with any third party with respect to any service that may be competitive with the Service or any feature thereof.

(b) Digital Programming Services. The term of this Agreement with respect to Digital Programming Services shall begin on the Effective Date and shall continue through December 31, 2011 (the "Initial Digital Programming Term"). This Agreement shall automatically renew with respect to Digital Programming Services for continuous, successive five-year periods (each, a "Digital Programming Renewal Term," and together with the Initial Digital Programming Term, the "Digital Programming Term") if Digital Programming Services has produced an average Digital Programming EBITDA (as defined in Schedule 1) per Founding Member screen in all Theatres, AMC Theatres and Regal Theatres of $*** for the three year period ending on December 31, 2011 with respect to the Initial Digital Programming Term or has produced an average Digital Programming EBITDA per Founding Member screen of $*** increased by 5% for each five year period thereafter with respect to any Digital Programming Renewal Term (the "Digital Programming EBITDA Threshold"); provided, however, that the Digital Programming Term shall not exceed the Initial Term. If Digital Programming Services has failed to satisfy the Digital Programming EBITDA Threshold, then Cinemark may extend the Initial Digital Programming Term or any Digital Programming Renewal Term at its sole discretion. Notwithstanding the preceding sentence, if upon expiration of the Initial Digital Programming Term or any Digital Programming Renewal Term, the average Digital Programming EBITDA (as defined in Schedule 1) per Founding Member screen for Digital Programming Services was negative during the last two years of such Initial Digital Programming Term or any two of the five years of such Digital Programming Renewal Term, then either Cinemark or LLC shall have the right in its sole discretion to not extend the Initial Digital Programming Term or any Digital Programming Renewal Term**.** Upon expiration of the Digital Programming Term, the provisions of this Agreement relating to Digital Programming shall terminate, except such rights and obligations that may survive pursuant to Section 9.04 (including the survival of Section 9.03 if the Digital Programming Term continues until the expiration of this Agreement).

(c) Meeting Services. The term of this Agreement with respect to Meeting Services shall begin on the Effective Date and shall continue through December 31, 2011 (the "Initial Meeting Services Term"). This Agreement shall automatically renew with respect to Meeting Services for continuous, successive five-year periods (each, a "Meeting Services Renewal Term," and together with the Initial Meeting Services Term, the "Meeting Services

Term") if Meeting Services has produced an average Meeting Services EBITDA (as defined in Schedule 1) per Founding Member screen in all Theatres, AMC Theatres and Regal Theatres of $*** for the three year period ending on December 31, 2011 with respect to the Initial Meeting Services Term or has produced an average Meeting Services EBITDA per Founding Member screen of $*** increased by 5% for each five year period thereafter with respect to any Meeting Services Renewal Term (the "Meeting Services EBITDA Threshold"); provided, however, that the Meeting Services Term shall not exceed the Initial Term. If Meeting Services has failed to satisfy the Meeting Services EBITDA Threshold, then Cinemark may extend the Initial Meeting Service Term or any Meeting Services Renewal Term at its sole discretion. Notwithstanding the preceding sentence, if upon expiration of the Initial Meeting Services Term or any Meeting Services Renewal Term, the average EBITDA per Founding Member screen for Meeting Services was negative during the last two years of such Initial Meeting Services Term or any two of the five years of such Meeting Services Renewal Term, then either Cinemark or LLC shall have the right in its sole discretion to not extend the Initial Meeting Services Term or any Meeting Services Renewal Term**.** Upon expiration of the Meeting Services Term, the provisions of this Agreement relating to Meeting Services shall terminate, except such rights and obligations that may survive pursuant to Section 9.04 (including the survival of Section 9.03 if the Meeting Services Term continues until the expiration of this Agreement).

Section 9.02 Termination; Defaults. Either Party may terminate this Agreement, immediately, by giving written notice of termination to the other, and without prejudice to any other rights or remedies the terminating Party may have, if:

(a) Breach of Material Provision. The other Party materially breaches this Agreement, other than any provision of Section 15.08, and fails to cure such breach within ninety (90) days after receipt from the terminating Party of written notice of the breach specifying in detail the nature of the breach, provided, that if such material breach cannot be cured within ninety (90) days from the notice, then the ninety-day period shall be extended as long as is reasonably necessary to cure such breach if the Party receiving notice diligently attempts to cure such breach; and provided, further, that if any such breach by Cinemark is confined to a Theatre or limited number of Theatres, LLC shall have the right in its sole discretion to terminate this Agreement only as to such Theatre or Theatres.

(b) Breach of Anti-Assignment Provision. The other Party materially breaches any provision of Section 15.08, and fails to cure such breach within thirty (30) business days after receipt from the terminating Party of written notice of the breach; provided, that if such breach cannot be cured within thirty (30) business days from the notice, then the period of thirty business days shall be extended as long as is reasonably necessary to cure such breach if the Party receiving notice diligently attempts to cure such breach; and provided, further, that if any such breach by Cinemark is confined to a Theatre or limited number of Theatres, LLC shall have the right in its sole discretion to terminate this Agreement only as to such Theatre or Theatres.

(c) Injunction, Order or Decree. Any governmental, regulatory or judicial entity of competent jurisdiction shall have issued a permanent injunction or other final order or decree which is not subject to appeal or in respect of which all time periods for appeal have expired, enjoining or otherwise preventing LLC or, Cinemark from performing, in any material respect, this Agreement.

(d) Bankruptcy. The dissolution, bankruptcy, insolvency or appointment of a receiver or trustee of the other Party that is not dismissed within sixty (60) days, or the other Party convenes a meeting of creditors, has a receiver appointed, ceases for any reason to carry on business or is unable to pay its debts generally.

Section 9.03 Right of First Refusal.

(a) ROFR Period. For a period (the "ROFR Period") beginning 12 months prior to the end of the scheduled expiration of this Agreement pursuant to Section 9.01 and ending 48 months after expiration of this Agreement, Cinemark shall not enter into any agreement or arrangement with a third party (whether in writing or otherwise) (an "Alternative Agreement") to receive services that were being provided by LLC to Cinemark at any time during the one-year period ending on expiration of this Agreement ("Designated Services") without complying with this Section 9.03.

(b) ROFR Notice. Before entering into or committing to enter into an Alternative Agreement, Cinemark shall present to LLC notice (the "ROFR Notice") containing a summary of all material terms and conditions of the proposed Alternative Agreement. The ROFR Notice shall state that Cinemark intends to enter into the Alternative Agreement and shall certify that there are no other direct or indirect arrangements or understandings with respect to the provision of the Designated Services that have not been disclosed to LLC.

(c) Information Request. Cinemark shall provide LLC such additional and supplemental information as LLC shall reasonably request within 10 days of receiving such request and Cinemark shall cooperate fully with LLC in its evaluation of the Alternative Agreement.

(d) ROFR Response. LLC shall have the right during a period ending 90 days after submission of the Alternative Agreement (or in the event additional information is requested by LLC, within 90 days after the final submission to LLC of such additional information) (the "ROFR Response Period") to give Cinemark written notice (the "ROFR Response") that it either (i) will enter into an agreement with Cinemark providing Cinemark with the Designated Services on terms and conditions no less favorable to Cinemark than those contained in the Alternative Agreement or (ii) does not seek to provide the Designated Services.

(e) Negotiation regarding Portion of Designated Services. If any of the Designated Services to be provided by the Alternative Agreement cannot reasonably be provided by LLC, then LLC and Cinemark shall negotiate in good faith during the ROFR Response Period as to LLC's ability to provide certain portions of the Designated Services; provided that should (x) Cinemark and LLC fail to reach agreement on LLC's provision of the Designated Services in part and (y) LLC fails to agree to provide all of the Designated Services by the end of the ROFR Response Period, then Cinemark shall be permitted to enter into the Alternative Agreement on terms no less favorable to Cinemark than those set forth in the ROFR Notice as provided in Section 9.03(b) above. If Cinemark fails to enter into such Alternative Agreement within 45 days after the end of the ROFR Response Period, then the procedures set forth in this

Section 9.03 shall once again become applicable.

(f) Alternative Proposals. During the period commencing on the date that Cinemark provides LLC the ROFR Notice and continuing until the earlier of (i) the end of the ROFR Response Period and (ii) the date LLC notifies Cinemark that it does not seek to provide the Designated Services, Cinemark shall not solicit alternative proposals from any other party for the Designated Services.

(g) Agreement. If either (i) LLC delivers a ROFR Response indicating that LLC wants to provide Cinemark with the Designated Services on the terms and conditions set forth in the ROFR Notice or (ii) the Parties agree that LLC will provide only certain of the Designated Services, the Parties will, within 45 days of such verbal agreement, enter into a written agreement to provide the agreed-on Designated Services on such terms and conditions. If Cinemark and LLC fail to enter into such agreement within 45 days after the end of the ROFR Response Period, then Cinemark shall have 45 days thereafter to enter into the Alternative Agreement on the terms and conditions no less favorable to Cinemark than those set forth in the ROFR Notice. If Cinemark fails to enter into such Alternative Agreement within such 45 day period, then the provisions of this Section 9.03 shall once again become applicable.

(h) Entry into Alternative Agreement. If either (i) LLC delivers a ROFR Response indicating that LLC does not want to provide Cinemark with the Designated Services on the terms and conditions set forth in the ROFR Notice or (ii) the Parties agree that LLC will provide only certain of the Designated Services, Cinemark shall be permitted, with respect to those Designated Services not provided by LLC, to enter into the Alternative Agreement on the terms and conditions no less favorable to Cinemark than those set forth in the ROFR Notice. If Cinemark fails to enter into such Alternative Agreement within 45 days after the end of the ROFR Response Period, then the provisions of this Section 9.03 shall once again become applicable.

Section 9.04 Survival. Articles 1, 10, 11, 13, 14 and 15 and Sections 9.04, 9.05 and 9.06 shall survive any expiration or termination of this Agreement, and Section 9.03 shall survive any expiration of this Agreement.

Section 9.05 Effect of Termination. Upon termination or expiration of this Agreement, each Party may exercise all remedies available to it as a matter of law and upon prior notice to Cinemark, LLC shall be entitled to enter the Theatres, and any other premises of Cinemark where any LLC Property may be located (or in the event of partial termination of this Agreement pursuant to Section 9.02(a) or (b) the affected Theatre(s) or premises), at a time mutually agreed to by the Parties in order to recover any and all LLC Property. In the event LLC fails to recover any LLC Property within the timeframe the Parties agree upon for such recovery, Cinemark shall have the right to remove and dispose of such LLC Property in its sole discretion, provided that any Software included in the LLC Property shall be recovered and returned to LLC at LLC's expense. LLC shall be obligated to restore all premises from which LLC Property is removed pursuant to this section to their previous condition, excluding reasonable wear and tear and any other improvements or material alterations to such premises as may have been approved by the Parties in connection with installation of LLC Equipment or operation of the Service and shall repair any damage to the premises as a result of such removal. In addition, any and all licenses granted by either Party to the other under this Agreement shall immediately terminate, Cinemark shall cease using LLC Marks, LLC shall cease using Cinemark Marks and LLC shall be entitled to immediately discontinue the Service. Promptly upon termination or expiration of this Agreement, and except as expressly provided in Article 8 of the License Agreement, each Party shall return to the other Party all Confidential Information of the other Party, or, at the other Party's option, destroy such Confidential Information and promptly provide to the other Party a certificate signed by an officer of the Party attesting to such destruction. Notwithstanding termination of this Agreement, each Party shall pay to the other, within thirty (30) days after the effective date of such termination, any and all fees (including costs and expenses) and other amounts owed hereunder as of such termination.

ARTICLE 10

REPRESENTATIONS, WARRANTIES AND COVENANTS

Section 10.01 Representations and Warranties. Each Party represents and warrants that:

(a) Formation. It (i) is duly formed and organized, validly existing, and in good standing under the laws of the jurisdiction of its formation and incorporation and has the power and authority to carry on its business as carried on, and (ii) has the right to enter into this Agreement and to perform its obligations under this Agreement and has the power and authority to execute and deliver this Agreement.

(b) Governmental Authorization. Any registration, declaration, or filing with, or consent, approval, license, permit or other authorization or order by, any governmental or regulatory authority, domestic or foreign, that is required to be obtained by it in connection with the valid execution, delivery, acceptance and performance by it under this Agreement or the consummation by it of any transaction contemplated hereby has been completed, made, or obtained, as the case may be.

(c) Consents. It is the exclusive owner of, or otherwise has or will have timely obtained all rights, licenses, clearances and consents necessary to make the grants of rights made or otherwise perform its obligations under this Agreement as required under this Agreement.

(d) No Conflicts. The execution and delivery of this Agreement do not, and the performance of its obligations under this Agreement and the consummation of the transactions contemplated hereby will not (with or without notice or lapse of time or both) (i) conflict with or result in a violation or breach of its charter or other organizational documents; (ii) conflict with or result in a violation or breach of any law or order applicable to it, or (iii) (A) conflict with or result in a violation or breach of, (B) constitute a default under, or (C) result in the creation or imposition of any lien upon it or any of its assets and properties under, any material contract or material license to which it or any of its Affiliates is a party or by which any of its or their respective assets and properties are bound.

Section 10.02 Additional Covenants.

(a) No Challenge. Each Party covenants that it will not at any time, except to the extent necessary to, assert or defend its rights under this Agreement: (i) challenge or otherwise do anything inconsistent with the other Party's right, title or interest in its property, (ii) do or cause to be done or omit to do anything, the doing, causing or omitting of which would contest or in anyway impair or tend to impair the rights of the other Party in its property or the rights of third party licensors or providers in their property, or (iii) assist or cause any Person or entity to do any of the foregoing.

(b) No Infringement by Cinemark. Cinemark covenants that, except as Cinemark discloses in writing concurrently with the execution hereof and excluding any intellectual property or other rights licensed pursuant to the License Agreement, none of the information, content, materials, or services it supplies or has supplied on its behalf under this Agreement to its knowledge infringes or misappropriates, or will infringe or misappropriate, any U.S. patent, trademark, copyright or other intellectual property or proprietary right of any third party to the extent used in accordance with the terms and conditions of this Agreement.

(c) No Infringement by LLC. LLC covenants that, except as specified in Section 10.02(b) and excluding any intellectual property or other rights licensed pursuant to the License Agreement, (i) to its knowledge, the Services will not violate, infringe or dilute any trademark, tradename, service mark or service name or any other intellectual property of any third party or the right of privacy or publicity of any person and (ii) LLC shall procure any and all consents, licenses or permits necessary relating to the Services provided to Cinemark and shall pay all license fees and royalties to the appropriate parties that become due and owing as a result of the performance of the Services or any other services as may be provided by LLC to Cinemark from time to time, other than film rent to the film distributors.

Section 10.03 Disclaimer. EXCEPT AS EXPRESSLY AND EXPLICITLY SET FORTH IN THIS AGREEMENT, ANY AND ALL INFORMATION, PRODUCTS, AND SERVICES, INCLUDING, WITHOUT LIMITATION, THE CINEMARK PROPERTY AND LLC PROPERTY, ARE PROVIDED "AS IS" AND "WITH ALL FAULTS," AND NEITHER PARTY MAKES ANY REPRESENTATIONS OR WARRANTIES, AND EACH PARTY DISCLAIMS ALL REPRESENTATIONS AND WARRANTIES, EXPRESS OR IMPLIED, WRITTEN OR ORAL, ARISING FROM COURSE OF DEALING, COURSE OF PERFORMANCE, USAGE OF TRADE, OR OTHERWISE, INCLUDING, WITHOUT LIMITATION, THE IMPLIED WARRANTIES OF NON-INFRINGEMENT, MERCHANTABILITY, TITLE AND FITNESS FOR A PARTICULAR PURPOSE. NEITHER PARTY MAKES ANY REPRESENTATION THAT THE DIGITAL CONTENT SERVICE OR ITS DISPLAY, OR RECEIPT OF ANY OTHER SERVICES, WILL BE UNINTERRUPTED OR ERROR-FREE.

ARTICLE 11

INDEMNIFICATION

Section 11.01 Indemnification.

(a) Indemnification by Cinemark. Cinemark shall defend, indemnify, and hold harmless LLC and its officers, directors, members, owners, contractors, employees, representatives, agents, successors, and assigns (collectively, "Representatives") from and against any and all losses, obligations, risks, costs, claims, liabilities, settlements, damages, liens, judgments, awards, fines, penalties, expenses and other obligations whatsoever (including, without limitation, reasonable attorneys' fees and disbursements, except as limited by Section 11.02, and any consultants or experts and expenses of investigation) (collectively, "Costs") suffered or incurred by LLC or its Representatives in connection with, as a result of, based upon, or relating to, (i) any breach by Cinemark of this Agreement, (ii) any use by Cinemark of any LLC Property (other than LLC Property licensed by LLC to Cinemark under the License Agreement) other than as authorized by this Agreement, (iii) any third-party claims directly resulting from acts or omissions of Cinemark or its designee(s), (iv) any breach of a Legacy Agreement prior to the date on which such Legacy Agreement is assigned to LLC, (v) Cinemark's fraud, willful misconduct, or noncompliance with law, (vi) any infringement, violation, misappropriation, or misuse of any third-party intellectual property rights by the Cinemark Property (excluding the intellectual property or other rights licensed by Cinemark pursuant to the License Agreement); or (vii) any items disclosed by Cinemark pursuant to Section 10.02(b).

(b) Indemnification by LLC. LLC shall defend, indemnify, and hold harmless Cinemark and its Representatives from and against any and all Costs suffered or incurred by Cinemark or its Representatives in connection with, as a result of, based upon, or relating to, (i) any breach by LLC of this Agreement, (ii) any use by LLC of any information, content or other materials supplied by or on behalf of Cinemark hereunder (including the Brand), but not under the License Agreement, other than as authorized by this Agreement, (iii) any breach of a Legacy Agreement on or after the date on which such Legacy Agreement is assigned to LLC, (iv) any damage caused by LLC, its vendors or subcontractors in installation, inspection or maintenance of any Equipment, (v) any third-party claims directly resulting from acts or omissions of LLC or its designee(s), including subcontractors, (vi) any infringement, violation, misappropriation, or misuse of any third-party intellectual property rights by the LLC Property (excluding the intellectual property or other rights licensed by LLC pursuant to the License Agreement); or (vii) LLC's fraud, willful misconduct, or noncompliance with law.

(c) Mutual Indemnification. Each Party (the "Indemnifying Party") shall defend, indemnify, and hold harmless the other Party and the other Party's Representatives from and against any and all Costs suffered or incurred by the other Party or the other Party's Representatives in connection with or as a result of, and from and against any and all third party claims, suits, actions, or proceedings actually or allegedly arising out of, based upon, or relating to any infringement or dilution of any third party trademark, tradename, service mark or service name by any trademark, tradename, service mark or service name provided by the Indemnifying Party. In the event of any infringement or dilution giving rise to a claim for indemnification under Sections 10.02(b), 10.02(c) or 11.01(a)(iii), or if infringement or dilution potentially giving rise to a claim under this Section is, in the Indemnifying Party's opinion, likely to occur the Indemnifying Party may, either: (i) procure for the other Party the right to continue using the trademark, tradename, service mark or service name in question, (ii) replace or modify the trademark, tradename, service mark or service name in question with a non-infringing or non-dilution alternative; or (iii) order the other Party to cease use of, and terminate the grant of rights under this Agreement with respect to, the trademark, tradename, service mark or service name in question. The Indemnifying Party will have no obligation under this Section for any infringement or dilution caused by, and the other Party will indemnify the Indemnifying Party in the event of, use by the other Party of the trademark, tradename, service mark or service name in question: (A) after the Indemnifying Party has notified the other Party to cease use of that trademark, tradename, service mark or service name; (B) in combination with any other trademark, tradename, service mark or service name not supplied by the Indemnifying Party; or (C) in breach of this Agreement. This Section 11.01(c) states each Party's entire liability and sole and exclusive remedy for infringement or dilution claims or actions relating to third party trademarks, tradenames, service marks or service names in connection with this Agreement.

Section 11.02 **Defense of Action.** An indemnitor under this Article shall have the right to control the defense and settlement of any and all claims, suits, proceedings, and actions for which such indemnitor is obligated to indemnify, hold harmless, and defend hereunder, but the indemnitee shall have the right to participate in such claims, suits, proceedings, and actions at its own cost and expense. An indemnitor shall have no liability under this Article 11 unless the indemnitee gives notice of such claim to the indemnitor promptly after the indemnitee learns of such claim so as to not prejudice the indemnitor. Under no circumstance shall either Party hereto settle or compromise or consent to the entry of any judgment with respect to any claim, suit, proceeding, or action that is the subject of indemnification hereunder without the prior written consent of the other Party, except for settlement involving only monetary payment by the indemnitor or no commitment or admission by the indemnitee, which consent shall not be withheld or delayed unreasonably.

ARTICLE 12

ADDITIONAL RIGHTS AND OBLIGATIONS

Section 12.01 **Assistance.** Each Party, upon the request of the other, shall perform any and all further reasonable acts and reasonably execute, acknowledge, and deliver any and all documents which the other Party determines in its sole reasonable judgment may be necessary, appropriate, or desirable to carry out the intent and purposes of this Agreement, including without limitation to document, perfect, or enforce the other Party's right, title, or interest in and to any of such Party's property, as well as any assistance requested in connection with the proceedings, suits, and hearings described in Section 12.02.

Section 12.02 **Infringement.** The Parties shall notify one another promptly, in writing, of any alleged, actual or threatened infringement, violation, misappropriation or misuse of or interference with ("Infringement") any intellectual property which such Party knows of or has reason to suspect.

Section 12.03 **Theatre Passes.** Upon the request of LLC's CEO, Cinemark will issue a number of annual passes, as reasonably requested by LLC and agreed by the parties and as reasonably consistent with prior practice, to the Theatres for use by LLC advertising clients, subject to Cinemark's ability to issue such passes pursuant to Cinemark's agreements with film distributors. LLC may purchase passes in excess of such number each year at a reasonably negotiated price. All other tickets used by LLC for promotional and sales purposes will be acquired by LLC at Cinemark's then current group ticket discount rate.

Section 12.04 **Compliance with Law.** Cinemark and LLC shall each at all times operate and conduct its business, including, without limitation, exercising its rights under this Agreement, in compliance with all applicable international, national, state, and local laws, rules, and requirements, and the compliance by either Party with such laws, rules and requirements shall under no circumstances be deemed a breach of this Agreement.

Section 12.05 **Insurance.** Cinemark shall maintain with financially sound and reputable insurance companies insurance on the Theatres and Equipment in such amounts and against such perils as Cinemark deems adequate for its business. LLC shall maintain with financially sound and reputable insurance companies insurance for its business and Equipment in such amounts and against such perils as LLC deems adequate for its business. Each Party will name the other Party (including its agents, officers, directors, employees and affiliates) as an additional insured on such policies of insurance. Furthermore, to the extent reasonably practicable, LLC shall use commercially reasonable efforts to have Cinemark listed as an additional insured on any insurance policy carried by the advertiser, agent or event promoter in connection with Services provided under this Agreement.

Section 12.06 **Most Favored Nations.** LLC shall promptly provide to Cinemark a copy of each agreement, amendment or extension as may be entered into by LLC on or after the Effective Date with each Founding Member (including the Cinemark Exhibitor Agreement) which amends any term of the Exhibitor Services Agreement entered into with any of the Founding Members, as such may be amended from time to time. The Parties recognize and acknowledge that the provision of the Service is dependent on the cooperation and operational support of LLC and the Founding Members and, from time to time, LLC may elect to waive compliance with a term of this Agreement or a term of an Exhibitor Services Agreement entered into with another Founding Member, so long as LLC acts reasonably and fairly in granting waivers requested by each of AMC, Cinemark and Regal, as applicable. If LLC acts reasonably and fairly in granting such waivers to each of AMC, Cinemark and Regal and any such waivers do not materially alter the applicable Exhibitor Services Agreement, then such waiver will not be considered an amendment of the relevant exhibitor's Exhibitor Services Agreement for purposes of this Agreement and shall not be covered by the terms of this Section 12.06. Such copies shall be redlined to reflect all differences between such agreements or amendments and this Agreement or corresponding amendment. At the election of Cinemark, by written notice to LLC within twenty (20) days following its receipt of such agreements or amendments, to amend this Agreement so that it conforms, in part or whole, to any one of such agreements or amendments, this Agreement shall be deemed so amended by LLC and Cinemark as soon as reasonably practicable after receipt of such notice.

Section 12.07 **Non-Competition and Non-Solicitation.**

(a) Non-Competition. In consideration of Cinemark's participation in LLC and in consideration of the mutual covenants and agreements contained in this Agreement, Cinemark and its Affiliates agree, except as otherwise provided in this Agreement, not to engage or participate in any business, hold equity interests, directly or indirectly, in another entity, whether currently existing or hereafter created, or participate in any other joint venture that competes or would compete with any business that LLC is authorized to conduct in the Territory pursuant to this Agreement, whether or not LLC is actually conducting such business in a particular portion of the Territory. The foregoing restrictions shall not apply (i) in the event Cinemark or its Affiliate acquires a competing business in the Territory as an incidental part of an acquisition of any other business that is not prohibited by the foregoing, if Cinemark disposes of the portion of such business that is a competing business as soon as practicable, (ii) to any direct or indirect ownership or other equity investments by Cinemark or its Affiliates in such other competing business that represents in the aggregate less than 10% of the voting power of all outstanding equity of such business, and (iii) in the event Cinemark enters into any agreement for the acquisition or installation of equipment or the provision of services on customary terms that does not violate the exclusivity of LLC hereunder with any entity that has other businesses and provides other services that may compete with LLC.

(b) Non-Solicitation. For the Term of this Agreement and a three-year period after its termination or expiration, each Party shall not, without the prior written approval of the other Party, directly or indirectly: (i) solicit for hire any employees of any other Party or its Affiliates at the level of vice president or higher; or (ii) induce any such employee of such Party to terminate their relationship with such Party. The foregoing will not apply to individuals hired as a result of the use of a general solicitation (such as a newspaper, radio or television advertisement) not specifically directed to the employees of such Party.

ARTICLE 13

OWNERSHIP

Section 13.01 **Property**.

(a) LLC Property. As between LLC and Cinemark, LLC owns, solely and exclusively, any and all right, title, and interest in and to the Service (including all Inventory and other content supplied by or on behalf of LLC), the LLC Marks, the Software (excluding any Software owned by Cinemark as provided in the License Agreement), LLC's Confidential Information, the Digital Content Network, and any and all other data, information, Equipment (excluding the Cinemark Equipment), material, inventions, discoveries, processes, methods, technology, know-how, written works, software, works of visual art, audio works, and multimedia works provided, developed, created, reduced to practice, conceived, or made available by or on behalf of LLC to Cinemark or used by LLC to perform any of its obligations under or in connection with this Agreement, as well as any and all translations, improvements, adaptations, reproductions, look and feel attributes, and derivates thereof (collectively, the "LLC Property"), and, except as expressly and explicitly stated in this Agreement, reserves all such right, title, and interest.

(b) Cinemark Property. As between Cinemark and LLC, Cinemark owns, solely and exclusively, any and all right, title, and interest in and to all content supplied by or on behalf of Cinemark, the Cinemark Marks, Software not included in Section 13.01(a) above, Cinemark's Confidential Information, and any and all other data, information, Equipment (excluding the LLC Equipment), material, inventions, discoveries, processes, methods, technology, know-how, written works, software, works of visual art, audio works, and multimedia works provided, developed, created, reduced to practice, conceived, or made available by or on behalf of Cinemark to LLC or used by Cinemark to perform any of its obligations under or in connection with this Agreement, as well as any and all translations, improvements, adaptations, reproductions, look-and-feel attributes, and derivates thereof (collectively, the "Cinemark Property"), and, except as expressly and explicitly stated in this Agreement, reserves all such right, title, and interest.

Section 13.02 **Derived Works**.

(a) Derived Works from LLC Property. Any and all data, information, and material created, conceived, reduced to practice, or developed pursuant to this Agreement, but not pursuant to the License Agreement, including, without limitation, written works, processes, methods, inventions, discoveries, software, works of visual art, audio works, look-and-feel attributes, and multimedia works, to the extent based on, using, or derived from, in whole or in part, any LLC Property, whether or not done on LLC's facilities, with LLC's equipment, or by LLC personnel, by either Party alone or with each other or any third party, and any and all right, title, and interest therein and thereto (including, but not limited to, the right to sue for past infringement) (collectively, "LLC Derived Works"), shall be owned solely and exclusively by LLC, and Cinemark hereby assigns, transfers, and conveys to LLC any right, title, or interest in or to any LLC Derived Work which it may at any time acquire by operation of law or otherwise. To the extent any LLC Derived Works are included in the Service, LLC hereby grants to Cinemark during the Term a non-exclusive, non-transferable, non-sublicenseable license to such LLC Derived Works solely for use in connection with the Service, as expressly provided by this Agreement.

(b) Derived Works from Cinemark Property. Except as specified in Section 13.02(a), any and all data, information, and material created, conceived, reduced to practice, or developed pursuant to this Agreement, but not pursuant to the License Agreement, including, without limitation, written works, processes, methods, inventions, discoveries, software, works of visual art, audio works, look-and-feel attributes, and multimedia works, to the extent based on, using, or derived from, in whole or in part, any Cinemark Property (and specifically including any materials included in the Policy Trailer or the Branded Slots based on or derived from materials supplied by Cinemark), whether or not done on Cinemark's facilities, with Cinemark's or LLC's equipment, or by Cinemark personnel, by either Party alone or with each other or any third party, and any and all right, title, and interest therein and thereto (including, but not limited to, the right to sue for past infringement) (collectively, "Cinemark Derived Works"), shall be owned solely and exclusively by Cinemark, and LLC hereby assigns, transfers, and conveys to Cinemark any right, title, or interest in or to any Cinemark Derived Work which it may at any time acquire by operation of law or otherwise. To the extent any Cinemark Derived Works are included in the Service, Cinemark hereby grants to LLC during the Term a nonexclusive, non-transferable, non-sublicenseable license to such Cinemark Derived Works solely for use in connection with the Service, as expressly provided by this Agreement.

Section 13.03 **No Title.** This Agreement is not an agreement of sale, and (a) no title or ownership interest in or to any LLC Property is transferred to Cinemark, and (b) no title or ownership interest in or to any Cinemark Property is transferred to LLC, as a result of or pursuant to this Agreement. Further, (i) Cinemark acknowledges that its exercise of rights with respect to the LLC Property shall not create in Cinemark any right, title or interest in or to any LLC Property and that all exercise of rights with respect to the LLC Property and the goodwill symbolized thereby or connected therewith will inure solely to the benefit of LLC, and (ii) LLC acknowledges that its exercise of rights with respect to the Cinemark Property shall not create in LLC any right, title or interest in or to any Cinemark Property and that all exercise of rights with respect to the Cinemark Property and the goodwill symbolized thereby or connected therewith will inure solely to the benefit of Cinemark.

ARTICLE 14

CONFIDENTIALITY

Section 14.01 Confidential Treatment. For a period of three years after the termination of this Agreement:

(a) Treatment of Confidential Information. Each Party shall use and cause its Affiliates to use the same degree of care it uses to safeguard its own Confidential Information and to cause its and its Affiliates' directors, officers, employees, agents and representatives to keep confidential all Confidential Information; and each Party shall hold and shall cause its Affiliates to hold and shall cause its and its Affiliates' directors, officers, employees, agents and representatives to hold in confidence, unless compelled to disclose by judicial or administrative process or, in the opinion of counsel, by the requirements of law, Confidential Information.

(b) LLC's Confidential Information. Cinemark agrees that the Confidential Information of LLC shall only be disclosed in secrecy and confidence, and is to be maintained by Cinemark in secrecy and confidence subject to the terms hereof. Cinemark shall (i) not, directly or indirectly, use the Confidential Information of LLC, except as necessary in the ordinary course of LLC's business, or disclose the Confidential Information of LLC to any third party and (ii) inform all of its employees to whom the Confidential Information of LLC is entrusted or exposed of the requirements of this Section and of their obligations relating thereto.

(c) Cinemark's Confidential Information. Confidential Information of Cinemark shall not be supplied by LLC or its Subsidiaries to any Person who is not an employee of LLC, including any employee of a Member or of LLC's manager who is not an employee of LLC. Notwithstanding the foregoing, Cinemark Confidential Information may be disclosed to authorized third-party contractors of LLC if LLC determines that such disclosure is reasonably necessary to further the business of LLC, and if such contractor executes a non-disclosure agreement preventing such contractor from disclosing Cinemark's Confidential Information for the benefit of each provider of Cinemark's Confidential Information in a form reasonably acceptable to the Founding Members. Cinemark's Confidential Information disclosed to LLC shall not be shared with any other Member without Cinemark's written consent.

Section 14.02 Injunctive Relief. It is understood and agreed that each Party's remedies at law for a breach of this Article 14, as well as Section 12.07, will be inadequate and that each Party shall, in the event of any such breach or the threat of such breach, be entitled to equitable relief (including without limitation provisional and permanent injunctive relief and specific performance) from a court of competent jurisdiction. The Parties shall be entitled to the relief described in this Section 14.02 without the requirement of posting a bond. Nothing stated herein shall limit any other remedies provided under this Agreement or available to the Parties at law.

ARTICLE 15

MISCELLANEOUS

Section 15.01 **Notices.** All notices, consents, and other communications between the Parties under or regarding this Agreement shall be in writing and shall be sent to the recipient's address set forth in this section by hand delivery, nationally respected overnight carrier, or certified mail, return receipt requested. Such communications shall be deemed to have been received on the date actually received.

LLC:	National CineMedia, LLC 9110 East Nichols Ave., Suite 200 Centennial, CO 80112 Attention: Chief Executive Officer
with a copy to:	National CineMedia, LLC 9110 East Nichols Ave., Suite 200 Centennial, CO 80112 Attention: General Counsel
Cinemark:	Cinemark USA, Inc. c/o Cinemark Holdings, Inc. 3900 Dallas Parkway Suite 500 Plano, TX 75093 Attention: Chief Financial Officer
with a copy to:	Cinemark USA, Inc. c/o Cinemark Holdings, Inc. 3900 Dallas Parkway Suite 500 Plano, TX 75093 Attention: General Counsel

Either Party may change its address for notices by giving written notice of the new address to the other Party in accordance with this section, but any element of such Party's address that is not newly provided in such notice shall be deemed not to have changed.

Section 15.02 **Waiver; Remedies.** The waiver or failure of either Party to exercise in any respect any right provided hereunder shall not be deemed a waiver of such right in the future or a waiver of any other rights established under this Agreement. All remedies available to either Party hereto for breach of this Agreement are cumulative and may be exercised concurrently or separately, and the exercise of any one remedy shall not be deemed an election of such remedy to the exclusion of other remedies.

Section 15.03 **Severability.** Should any term or provision of this Agreement be held to any extent unenforceable, invalid, or prohibited under law, then such provision shall be deemed restated to reflect the original intention of the Parties as nearly as possible in accordance with applicable law and the remainder of this Agreement. The application of any term or provision restated pursuant hereto to Persons, property, or circumstances other than those as to which it is invalid, unenforceable, or prohibited, shall not be affected thereby, and each other term and provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

Section 15.04 **Integration; Headings.** The Parties hereto agree that the Exhibitor Services Agreement dated as of July 15, 2005 is hereby terminated (except as otherwise provided in the and the Letter Agreement dated of even date herewith by and among LLC, AMC, Cinemark and Regal (the "ESA Payment Letter"), and that this Agreement and the exhibits hereto (each of which is made a part hereof and incorporated herein by this reference) and the ESA Payment Letter constitute the complete and exclusive statement of the agreement between the Parties with respect to the subject matter of this Agreement, and supersede any and all other prior or contemporaneous oral or written communications, proposals, representations, and agreements, express or implied. This Agreement may be amended only by mutual agreement expressed in writing and signed by both Parties, except as otherwise provided in Section 12.06. Headings used in this Agreement are for reference only and shall not affect the interpretation of this Agreement.

Section 15.05 **Construction.** The Parties hereto have participated jointly in the negotiation and drafting of this Agreement. In the event an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the Parties and no presumption or burden of proof shall arise favoring or disfavoring any Party by virtue of the authorship of any of the provisions of this Agreement. Whenever required by the context, any pronoun used in this Agreement shall include the corresponding masculine, feminine or neuter forms, and the singular forms of nouns, pronouns, and verbs shall include the plural and vice versa. Reference to any agreement, document, or instrument means such agreement, document, or instrument as amended or otherwise modified from time to time in accordance with the terms thereof, and if applicable. The use of the words "include" or "including" in this Agreement shall be by way of example rather than by limitation. The use of the words "or," "either" or "any" shall not be exclusive.

Section 15.06 **Non-Recourse.** Notwithstanding anything contained in this Agreement to the contrary, it is expressly understood and agreed by the Parties hereto that each and every representation, warranty, covenant, undertaking and agreement made in this Agreement was not made or intended to be made as a personal representation, undertaking, warranty, covenant, or agreement on the part of any individual or of any partner, stockholder, member or other equity holder of either Party hereto, and any recourse, whether in common law, in equity, by statute or otherwise, against any such individual or entity is hereby forever waived and released.

Section 15.07 **Governing Law; Submission to Jurisdiction.**

Subject to the provisions of Section 14.02 and the Parties' agreement that the United Nations Convention on Contracts for the International Sale of Goods shall not apply to this Agreement and is hereby disclaimed by the Parties:

(a) Governing Law. This Agreement is to be construed in accordance with and governed by the internal laws of the State of Delaware without giving effect to any choice of law rule that would cause the application of the laws of any jurisdiction other than the internal laws of the State of Delaware to the rights and duties of the Parties.

(b) Jurisdiction. Each Party hereto agrees that any legal action or other legal proceeding relating to this Agreement or the enforcement of any provision of this Agreement shall be brought or otherwise commenced exclusively in any state or federal court located in Delaware or in New York, New York. Subject to the preceding sentence, each Party hereto:

(i) expressly and irrevocably consents and submits to the jurisdiction of each state and federal court located in New York, New York (and each appellate court located in the State of New York) in connection with any such legal proceeding, including to enforce any settlement, order or award;

(ii) consents to service of process in any such proceeding in any manner permitted by the laws of the State of New York, and agrees that service of process by registered or certified mail, return receipt requested, at its address specified pursuant to Section 15.01 is reasonably calculated to give actual notice;

(iii) agrees that each state and federal court located in New York, New York shall be deemed to be a convenient forum;

(iv) waives and agrees not to assert (by way of motion, as a defense or otherwise), in any such legal proceeding commenced in any state or federal court located in New York, New York, any claim that such Party is not subject personally to the jurisdiction of such court, that such legal proceeding has been brought in an inconvenient forum, that the venue of such proceeding is improper or that this Agreement or the subject matter hereof or thereof may not be enforced in or by such court; and

(v) agrees to the entry of an order to enforce any resolution, settlement, order or award made pursuant to this Section by the state and federal courts located in New York, New York and in connection therewith hereby waives, and agrees not to assert by way of motion, as a defense, or otherwise, any claim that such resolution, settlement, order or award is inconsistent with or violative of the laws or public policy of the laws of the State of New York or any other jurisdiction.

(c) Costs and Expenses. In the event of any action or other proceeding relating to this Agreement or the enforcement of any provision of this Agreement, the prevailing party (as determined by the court) shall be entitled to payment by the non-prevailing party of all costs and expenses (including reasonable attorneys' fees) incurred by the prevailing party, including any costs and expenses incurred in connection with any challenge to the jurisdiction or the convenience or propriety of venue of proceedings before any state or federal court located in New York, New York.

Section 15.08 Assignment. Neither Party may assign or transfer, by operation of law or otherwise, any of its rights or obligations under this Agreement to any third party without the other Party's prior written consent. Either Party may fulfill their respective obligations hereunder by using third-party vendors or subcontractors; provided, however that such Party shall remain fully and primarily responsible to ensure that such obligations are satisfied. Cinemark acknowledges and agrees that in the event of assignment or transfer by the sale of all or substantially all of its assets, the failure to obtain (by operation of law or otherwise) an agreement in writing by assignee/transferee to be bound by the terms of this Agreement to the same extent as if such assignee/transferee were a party hereto (an "Assignment and Assumption") of its interest in this Agreement in respect of such assets as part of the sale shall constitute a material breach of this Agreement. Notwithstanding the foregoing, this Agreement shall not be assignable by either Party unless the assignee enters into an Assignment and Assumption. A Permitted Transfer shall not be deemed an assignment or transfer for purposes of this Agreement; provided, however, any Permitted Transfer by assignment to an Affiliate of Cinemark shall be (i) conditioned upon (A) the transferee entering into an Assignment and Assumption, (B) Cinemark agreeing in writing to remain bound by the obligations under this Agreement, and (ii) effective only so long as the Affiliate remains an Affiliate of transferee. Any attempted assignment in violation of this section shall be void.

Section 15.09 **Force Majeure.** Any delay in the performance of any duties or obligations of either Party (except the payment of money owed) will not be considered a breach of this Agreement if such delay is caused by a labor dispute, shortage of materials, fire, earthquake, flood, or any other event beyond the control of such Party, provided that such Party uses commercially reasonable efforts, under the circumstances, to notify the other Party of the circumstances causing the delay and to resume performance as soon as possible.

Section 15.10 **Third Party Beneficiary.** The Parties hereto do not intend, nor shall any clause be interpreted, to create under this Agreement any obligations or benefits to, or rights in, any third party from either LLC or Cinemark. Neither Party hereto is granted any right or authority to assume or create any obligation or responsibility, express or implied, on behalf of, or in the name of, the other Party, or to bind the other Party in any matter or thing whatever. No Affiliate of either Party shall have any liability or obligation pursuant to this Agreement. Each Party shall be solely responsible, and each Party agrees to look solely to the other, for the satisfaction of such other Party's obligations under this Agreement.

Section 15.11 **Export**.

(a) LLC's Software and Confidential Information. Cinemark acknowledges and agrees: (i) that the Software and the Confidential Information of LLC are subject to the export controls of the United States, and (ii) that Cinemark has no right to, and further agrees that it will not, export or otherwise transfer or permit the transfer of any Software or Confidential Information of LLC outside the Territory. Cinemark will defend, indemnify, and hold harmless LLC from and against all fines, penalties, liabilities, damages, costs, and expenses incurred by LLC as a result of any failure to comply with the preceding sentence.

(b) Cinemark's Confidential Information. LLC acknowledges and agrees: (i) that the Confidential Information of Cinemark is subject to the export controls of the United States, and (ii) that LLC has no right to, and further agrees that it will not, export or otherwise transfer or permit the transfer of any Confidential Information of Cinemark outside the Territory. LLC will defend, indemnify, and hold harmless Cinemark from and against all fines, penalties, liabilities, damages, costs, and expenses incurred by Cinemark as a result of any failure to comply with the preceding sentence.

Section 15.12 Independent Contractors. The Parties' relationship to each other is that of an independent contractor, and neither Party is an agent or partner of the other. Neither Party will represent to any third party that it has, any authority to act on behalf of the other.

Section 15.13 Counterparts. This Agreement may be executed in any number of separate counterparts each of which when executed and delivered to the other Party hereto shall be an original as against the Party whose signature appears thereon, but all such counterparts shall together constitute one and the same instrument.

[Signature Page to Follow**]**

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the day and year first above written.

CINEMARK USA, INC.

By: /s/ Michael D. Cavalier
Michael D. Cavalier
Its Senior Vice President — General Counsel

NATIONAL CINEMEDIA, LLC
By: **NATIONAL CINEMEDIA, INC.,**
Its Manager

By: /s/ Gary W. Ferrera
Gary W. Ferrera
Its Executive Vice President and Chief Financial Officer.

[Signature page to ESA]

EXHIBIT A

THE SERVICE

A. "Advertising Services" consist of the following:

1. *Lobby Promotions*. "Lobby Promotions" means as follows:

All lobby promotions and other in-theatre promotional activities (excluding the Digital Content Service, the Digital Carousel, the Traditional Content Program and other on-screen content, as described in 3 below), but specifically excluding the following promotional activities (which Cinemark shall retain the right to perform and have performed on its behalf):

(i) promotional activities arising under the Cinemark contracts identified in the Specification Documentation;

(ii) (1) poster case advertising, digital poster case advertising, advertising on digital animated poster cases, ATM or ticket kiosk screens (or such items that may replace digital poster cases, or ATM or ticket kiosk screens in the future) or other substantially similar display mechanisms and other lobby or in-theatre promotions for (A) Theatre Advertising, (B) film festivals organized by Cinemark (unless such poster cases have been sold by LLC), (C) fundraising programs conducted by Cinemark for any non-profit organizations, (D) full-length theatrical productions, and (E) other promotional material that may include some or all of the following types of content: isolated images or still scenes from feature films, full motion elements that are not a movie trailer, interactive elements, audio elements and motion sensors; provided, however, that no movie trailers or content equivalent to movie trailers are displayed;

(2) drink cup and popcorn bag/tub advertising related to the Concessions, as necessary to fulfill contractual obligations of Cinemark with respect to promotion of such Concessions in the Theatres;

(3) lobby or in-theatre promotions and advertising for vendors of services provided to the Theatres, provided such promotion is incidental to the vendor's service, including by way of illustration and not limitation, (A) logos of Movietickets.com and Fandango related to promotions for online ticketing services, (B) credit card company logos displayed at the box office, automated box office, Concession stands, cafes, arcades, and lobby kiosks, (C) bank logos displayed at ATM's, (D) phone company logos displayed at public telephones, and (E) logos of vendors who provide restroom soaps, toilet paper and lotions;

(4) logos on digital menu boards at the Concession stand or digital displays at the box office of manufacturers of such products;

(5) advertising and/or signage pursuant to the IMAX agreement (if applicable); and

(6) any trademark, service mark, logo or other branding of Cinemark (or its theatre-operating Affiliates), film studio(s), distributors and production companies;

provided, however, that Cinemark shall not be permitted to exhibit or display any promotion described in this paragraph A.1.(ii), if such promotion features any trademark, service mark, logo or other branding of a party other than the film studio(s), distributors, production companies, Concession providers, or other service vendors or providers responsible for the production or promotion, as applicable, or of Cinemark (or its theatre-operating Affiliates), unless such promotion relates to a Strategic Program that complies with Section 4.07(b).

Popcorn bags, popcorn tubs, cups and kids' trays will be provided according to Cinemark's template and packaging requirements, subject to Cinemark's providing reasonable notice of changes to any such requirements. LLC may obtain advertising for all of the surface area of all such items that is not required (i) under the Beverage Agreement, (ii) as necessary to fulfill contractual obligations of Cinemark with respect to Concessions, and (iii) incidental branding needs of Cinemark, subject to the terms contained in the Beverage Agreement. Cinemark shall not amend or modify any contract to the extent such amendment or modification would be inconsistent with the exclusive rights of LLC hereunder or have the effect of any extension of third party restrictions on surface area advertising on such popcorn bags, popcorn tubs, cups and kids' trays, except as permitted under Section 4.06(a) with respect to the Beverage Agreement or as permitted under Section 4.07(a).

2. *Event Sponsorships*

"Event Sponsorship" means the sale of advertising or sponsorships with respect to any event included in the Digital Programming Services including any Event Trailers or Meeting Services.

3. *Digital Content Service, Digital Carousel and Traditional Content Program*

The Digital Content Service (which includes the Pre-Feature Program, Policy Trailer, Event Trailer and the Video Display Program), the Digital Carousel and the Traditional Content Program, and all other on-screen content which is exhibited in Theatre auditoriums prior to the feature film presentation, but specifically excluding Trailers.

B. Digital Programming Services

"Digital Programming Services" means the electronic distribution of digital programming entertainment content other than the Pre-Feature Program, the Digital Carousel and the Video Display Program (including, without limitation, programming such as sports, music and comedy events) and the exhibition thereof in some or all of the Theatres. "Digital Programming Services" shall not include (i) the distribution of feature films or Trailers or (ii) the electronic distribution of digital feature film content ("Digital Films") or Trailers; provided, however, that LLC may distribute Digital Films or Trailers across the Digital Content Network upon the prior written approval of Cinemark.

C. Meeting Services

"Meeting Services" means uses of the Theatres other than Digital Programming Services which may or may not be dependent on the electronic distribution of digital programming content, such as business meetings and educational/training meetings.

"Meeting Services" includes three types of meetings

1. *Meetings With a Movie*
2. *Meetings Without a Movie*
3. *Church Worship Services*

Meeting Services shall not include events involving the exhibition of only a feature film without a meeting to an organized group, such as birthday parties, group sales to schools or other private screenings, or internal meetings or training of Cinemark employees.

EXHIBIT A-1

CINEMARK
INVENTORY FOR LOBBY PROMOTIONS

The Inventory of Lobby Promotions for each Theatre to which LLC has "pre-approved" access is as listed below. Per Flight (unless otherwise specified below), LLC may provide each Theatre with any combination of Lobby Promotions as described below.

Item	Inventory per Flight	Quantity	Spec
Box Office Handout *(1 handout per transaction; not film specific)*	2 programs per Theatre	TBD	3"x5" 2-sided
Exit Sampling	1 program per Theatre	TBD	
Poster Case *(1-11 screens: 1 poster; 12 screens: 2 posters; 13-20 screens: 3 posters; 21+ screens: 4 posters)*	1 program per Theatre	varies (below) Live Area	27"x40" 24"x38"
Tabling/Demo *(No active "recruitment" of patrons)*	1 program per Theatre	1 per client	4-6' table
Vehicle/Motorcycle *(Displays limited to specific list of Theatres provided by Cinemark, and updated from time to time after reasonable advance notice to LLC)*	1 program per Theatre	1 per client	
Background Music	1 program per Theatre	N/A	N/A
Counter Cards	2 programs per Theatre	2-3 per client	13"x16.5"x4"
Danglers	1 programs per Theatre per quarter	2-3 per client	18"x24"
Static Clings	1 program per Theatre per quarter	2-3 per client	4"x6"
Banners	1 program per Theatre per quarter	1 per client	6'x4'

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Item	Inventory per Flight	Quantity	Spec
Lobby Display	2 programs per Theatre	1 per client	4’x6’
(Displays limited to specific list of Theatres provided by Cinemark, and updated from time to time after reasonable advance notice to LLC)			
Lobby Standee	2 programs per Theatre	1 per client	3’x5’
(Displays limited to specific list of Theatres provided by Cinemark, and updated from time to time after reasonable advance notice to LLC)			
Floor Mats	1 program per Theatre per quarter	1 per client	4”x6’

EXHIBIT B

A. Creative Services (See Section 4.05(a))

LLC will provide Cinemark with up to 1,000 hours per year associated with Creative Services in conjunction with the creation of certain elements of the Pre-Feature Program (including the Policy Trailer, the Brand, and the Branded Slots) and Video Display Program at no charge. Additional hours will be billed as set forth in item 2 below. The Creative Services provided at no cost may not include creation of Strategic Programs.

"Creative Services" include the provision of (i) concept work, idea creation, scripting, treatments, storyboarding, timelines and animatics, (ii) execution, animation, production, post production, sound design, final encoding and the preparation of all deliverables, and (iii) project management, meetings, communications, sub contractor management and all administrative activity related to said creative services.

1. Allocated 1,000 Hours Per Year

All projects will be quoted on a GMH (Guaranteed Maximum Hours) basis by which the Parties will agree to the concept and execution plan of the project. This agreement may be based on treatments, scripts, storyboards, timelines or animatics and will define the intended scope of all creative projects. LLC will guarantee the total maximum hours allocated to the project regardless of actual hours invested so long as the defined scope is not increased. Scope increases may cause LLC to allocate more hours to a project and therefore could cause overruns in the project's GMH, resulting in additional hours (and possibly fees). In all cases, any work resulting in overruns will be communicated to Cinemark by LLC prior to the work actually being done.

There is no specific deliverable attached to the accrual of hours, meaning that any project cancelled, put on hold, or for which production may extend beyond the anniversary of the agreement, will still have hours accrued against it that were incurred in that corresponding year. At the end of each calendar year, the balance of hours will be zeroed out. Unused hours will not carry forward. LLC shall provide a quarterly status report to Cinemark of all hours spent on any particular project as well as the amount of hours spent on an aggregate basis for all projects in any given calendar year.

2. Additional Work

Upon the utilization of 1,000 hours of Creative Services provided by LLC to Cinemark on any combination of projects within one calendar year, LLC will begin charging exhibitor $*** per hour for all additional hours, subject to the CPI Adjustment. These charges will be consistent for all Creative Services provided across all creative groups within LLC.

B. Beverage Agreement Advertising Rate (See Section 4.06(a))

The initial Beverage Agreement Advertising Rate is $*** per thousand attendees in Cinemark Attendance for a 30-second advertisement. The Beverage Agreement Advertising

Rate shall (i) increase 8% per year for each of the first two fiscal years beginning at the end of LLC's 2007 fiscal year; (ii) beginning at the end of the period set forth in (i) above, increase 6% per year for each of the next two fiscal years; and (iii) beginning at the end of the period set forth in (ii) above, increase in an amount equal to the annual percentage increase in the advertising rates per thousand attendees charged by LLC to unaffiliated third parties (excluding the advertising associated with the Beverage Agreement) for on-screen advertising in the Pre-Feature Program during the last six minutes preceding the start of the feature film for each fiscal year for the remainder of the Term, but in no event more than the highest advertising rate per thousand attendees being then-charged by LLC.

The rate for a longer or shorter advertisement shall be adjusted based on a multiple or percentage of the 30-second rate. For illustrative purposes, the initial Beverage Agreement Advertising Rate for 90 seconds of advertising as of the Effective Date would be $***. The Beverage Agreement Advertising Rate of $*** agreed to by the Parties is a discounted rate due to the length of the Agreement and the initial commitment to purchase 90 seconds of advertising.

C. Digital Programming (See Article 6)

1. Revenue Share

Cinemark will retain 15% of Net Ticket Revenue for tickets sold pursuant to Digital Programming Services and 100% of all Concession sales. "Net Ticket Revenue" means all ticket revenue, net of taxes and refunds, excluding "Comp Passes" distributed for marketing purposes, which shall not exceed 25 per Theatre. If Comp Passes exceed 25 per Theatre, LLC shall reimburse Cinemark Net Ticket Revenue for such Comp Passes exceeding 25 per Theatre.

LLC shall distribute to the participating Founding Members a total of 15% of net revenue received in the form of cash or non-cash consideration pursuant to any Event Sponsorship or other promotional fee for a Digital Programming event. A percentage of the 15% Founding Members' share of revenue for such Event Sponsorship or other promotional fee shall be allocated to Cinemark based upon the number of tickets sold (excluding Comp Passes) at Theatres for the Digital Programming event divided by the number of total tickets sold at all theatres of participating Founding Members (excluding Comp Passes) for the Digital Programming Services event.

2. Availability

LLC is pre-approved to schedule Digital Programming in a minimum of one auditorium in any Digitized Theatre that (i) has the requisite technology to exhibit the specific Digital Programming event and (ii) has more than 12 auditoriums. It is understood that live events will require additional equipment over the minimum equipment required in a Digitized Theatre. Installation of such additional equipment shall be made by Cinemark at its discretion. For the event to be pre-approved, LLC must provide 10 days' notice of the Digital Programming event to Cinemark and the Digital Programming event must be during any Monday through Thursday night during non-Digital Event Peak Season.

"Digital Event Peak Season" shall mean: (i) Martin Luther King weekend, (ii) Presidents' Day weekend, (iii) Thursday through Easter weekend, (iv) Memorial Day weekend, (v) the Wednesday prior to the Fourth of July weekend through the Wednesday after the Fourth of July weekend, (vi) Labor Day weekend, (vii) Thanksgiving week, and (viii) one week prior to Christmas through the week after New Year's. For purposes of this definition, weekend means Friday through Monday and week means Monday through Sunday.

LLC may exhibit Digital Programming Services in time periods other than those listed above only with approval from Cinemark, which approval may be (i) granted as additional categories of pre-approved Digital Programming Services or (ii) granted on a case-by-case basis. LLC's notification of pre-approved Digital Programming events or requests for approval on a case-by-case basis will be submitted by a standard request form. Cinemark shall respond regarding whether it will accept a proposed Digital Programming event within three (3) business days of being presented with such proposal. Additionally, LLC may not exhibit any Digital Programming event related to the release of a feature film (i) directly on DVD (or a subsequently developed system for viewing films at home) or to handheld or mobile devices, or (ii) on DVD (or subsequently developed system for viewing films at home), pay-per-view, cable, satellite or network television, or through other electronic means within 120 days after the release date of such feature film in Theatres, except in each case as otherwise agreed to by Cinemark.

If a Digital Programming Services presentation has sold more than 75% of the seats at the Theatre made available, at least twenty-fours (24) hours prior to such event, Cinemark will make commercially reasonable efforts to make available an additional or larger auditorium for such presentation.

3. Sales Reporting

Cinemark and all Theatres presenting a Digital Programming event shall report to LLC the ticket sales, passes, and refunds upon LLC's request, provided, that Cinemark shall have no obligation to provide such updates more frequently than they are available internally in accordance with its ordinary business practices.

4. In-Theatre Retail Opportunities

Any retail and merchandising opportunities and related revenue and cost sharing related to Digital Programming Services may be agreed between LLC and Cinemark on an event-by-event basis.

5. Marketing and Promotion

Theatres hosting a Digital Programming event and other Theatres in the designated marketing area (DMA) shall allow LLC to play an Event Trailer for a maximum of four (4) weeks prior to the Digital Programming event, consistent with the provisions of Section 6.03. Such Event Trailer will start after Showtime. Every Event Trailer will indicate the date and location of the event. LLC may also use any other marketing and advertising Inventory it controls as set forth on Exhibit A-1 to market the Digital Programming event. All other marketing initiatives that utilize databases, websites or other "marketing assets" controlled by Cinemark will be agreed between LLC and Cinemark.

All Event Trailers and other marketing and promotional activities relating to any Digital Programming event and displayed in any Theatre must (i) have received, or be such that, had it been rated, it would have received an MPAA rating of "G" or "PG" to be played prior to a feature film with a "G," "PG," or "PG-13" rating, (ii) have received, or be such that, had it been rated, it would have received an MPAA rating of "G," "PG," "PG-13" or "R" to be played prior to a feature film with an "R" rating, and (iii) be pre-approved by Cinemark prior to use, which approval shall not be unreasonably withheld or delayed.

D. Meeting Services (See Article 6)

1. Revenue Share

Payments between LLC and Cinemark related to Meeting Services shall be determined as set forth in Exhibit B-1.

2. Availability

The provisions in Exhibit B-1 identify the availability of Theatres for Meeting Services on a pre-approved basis. Meeting Services may be provided at such other times and under such other terms as may be agreed by Cinemark and LLC.

3. General Requirements

Cinemark must provide approval or decline a Meeting Services event that is not pre-approved within three (3) business days of receiving notice of such event.

Cinemark and LLC will develop a mutually acceptable process for billing and collecting ticket and Concession sales.

The aggregate of fees other than movie admission and Concessions, including fees such as rental fees, fees for concierge services and catering fees, charged for a Meeting with a Movie must be the greater of $*** per hour or $*** per regular show time replaced by the event (annually adjusted based on increases in LLC's auditorium rental rates), calculated with respect to the time used by LLC for the meeting in excess of the running time of the film.

E. Event Services Administrative Fee (See Section 6.07)

The Administrative Fee charged for Digital Programming events shall cover all post-production services (including ingesting, editing and encryption) performed by LLC and delivery of content to Theatre(s) through the Digital Content Network. If LLC establishes an additional digital network, pricing related to services provided for such network will be developed separately.

The Administrative Fee shall initially be $*** per location delivered (subject to the CPI Adjustment), with a minimum of $*** (subject to the CPI Adjustment), which includes a $*** bandwidth surcharge.

The Administrative Fee shall not be charged for production or delivery by LLC of the Event Trailer. Any fees and charges relating to delivery by LLC to Cinemark of Digital Films or Trailers not produced by LLC will be negotiated by Cinemark and LLC at a later date.

Encoding (should it be required) will be charged separately at the rate of $125 per hour (subject to the CPI Adjustment).

Exhibit B-1

Approved Events	Revenue Share
Cinemark grants pre-approval for Meetings With or Without a Movie that satisfy the criteria below: (includes tent pole films) Start and end times fall between Mon - Thurs (6am - 6pm) Meeting occurs in Theatres more than 12 auditoriums Tickets for all auditorium seats are sold at adult rate if movie is to be shown Film is available at the relevant theatre, utilizing 2nd, 3rd, 4th print of a movie (if movie is to be shown), and has received Exhibitor's film department approval	**Meeting Without a Movie** LLC shall pay Exhibitor 15% of rental revenue **Meeting with a Movie:** LLC shall sell 100% of the seats in the auditorium at the full adult ticket price (unless otherwise approved by Cinemark in advance). Cinemark shall retain 100% of all admisssions and concessions revenue; LLC shall retain 100% of meeting revenue.
Church Worship Services Approval required	**Church Worship Services** LLC shall pay Cinemark 50% of rental revenue
Exceptions that require approval: 1) Requires more than 1 Auditorium per request/group 2) Booked in Peak Season** 3) Events requested less than 10 business days from the date of event 4) Events in Theatres identified in the Specification Documentation	

** **Peak Season:**
1) Martin Luther King weekend
2) Presidents' Day weekend
3) Easter weekend — Thurs → Sun
4) Memorial Day weekend
5) Week of the 4th of July
6) Labor Day weekend
7) Thanksgiving week
8) Week prior to Christmas through the week after New Year's

Schedule 1
Calculation of Exhibitor Allocation, Theatre Access Fee and Run-Out Obligations

A. Definitions

Within the context of this Schedule 1, the following terms shall have the following meanings:

"4.03 Participating Attendance" means the sum of Cinemark Attendance, AMC Attendance and Regal Attendance, calculated only with respect to Theatres, AMC Theatres and Regal Theatres that display an advertising campaign that Cinemark has not displayed in at least some Theatres pursuant to Section 4.03(viii) or (ix) of this Agreement or because of lack of equipment to display the Video Display Program.

"4.03 Theatre Access Fee" means the product of (i) the difference between (A) Cinemark 4.03 Opt-In Revenue minus (B) Cinemark Opt-Out Revenue, multiplied by (ii) the Theatre Access Pool Percentage. It is possible that the 4.03 Theatre Access Fee could be a negative number.

"Advertising-Related EBITDA" means, for the applicable measurement period, LLC EBITDA, less the sum of Meeting Services EBITDA, Digital Programming EBITDA and Non-Service EBITDA.

"Aggregate 4.03 Opt-In Attendance" means, with respect to any advertising campaign that is displayed by some but not all Founding Members pursuant to Section 4.03(i), (iii), (iv), (v) or (vi), the sum of attendance for each of the Founding Members that participate in such advertising campaign, with such attendance calculated for the applicable fiscal month pursuant to the definition of Cinemark Attendance, AMC Attendance and Regal Attendance, as applicable.

"Aggregate 4.03 Opt-In Revenue" means the sum of all 4.03 Revenue for each advertising campaign that any Founding Member opted not to display pursuant to Section 4.03(i), (iii), (iv), (v) or (vi) during the applicable measurement period.

"Aggregate Theatre Access Fee" means the sum of the Theatre Access Fee and the comparable theatre access fee payments made to AMC and Regal for the applicable period.

"Aggregate Theatre Access Pool" means the sum of the Cinemark Theatre Access Pool plus the comparable calculations for AMC and Regal.

"AMC Attendance" means the total number of patrons in all AMC Theatre auditoriums (excluding auditoriums that do not run the applicable advertising due to human or technical error within AMC's control, AMC's failure to allow LLC to upgrade the Software or Equipment, AMC's failure to install Equipment pursuant to its obligations under Section 3.04 of its Exhibitor Services Agreement or, after notice and opportunity to cure as set forth in Section 3.08(b) of its Exhibitor Services Agreement, as the result of AMC's failure to repair or replace any AMC Equipment or AMC's (or its Affiliates') software installed at any Theatre, if such obligation to repair or replace is undertaken by AMC pursuant to Section 3.08(b) of its Exhibitor Services Agreement and excluding auditoriums with IMAX Screens that do not exhibit Inventory), during the applicable measurement period.

"AMC Equipment" means the Equipment owned by AMC, pursuant to the AMC Exhibitor Agreement.

"AMC Screen Count" means the Screen Number with respect to all AMC Theatre screens for the applicable measurement period.

"AMC Theatre Access Pool" means the AMC Theatre Access Pool, calculated pursuant to the AMC Exhibitor Agreement.

"Attendance Factor" means, as of the Effective Date, ***% (which represents the percentage calculated for the fourth fiscal quarter of 2006 using the formula in the following sentence). Effective as of the first day of each succeeding fiscal quarter of LLC beginning with the second fiscal quarter of 2007, the Attendance Factor shall adjust and be a percentage equal to (i) the total revenue payable to LLC for the immediately preceding fiscal quarter attributable to advertising exhibited in the Theatres, AMC Theatres and Regal Theatres with respect to advertising contracts for which the pricing is based on attendance, flat fee or other than number of screens, divided by (ii) the total revenue payable to LLC for the immediately preceding fiscal quarter attributable to all advertising exhibited by LLC in the Theatres, AMC Theatres and Regal Theatres.

"Beverage Agreement Revenue" means the aggregate revenue received by LLC related to the Beverage Agreement and AMC's and Regal's beverage agreements for the applicable measurement period.

"Cinemark 4.03 Opt-In Revenue" means Cinemark's proportional share of the 4.03 Revenue resulting from advertising subject to Section 4.03(i), (iii), (iv), (v) or (vi) that was declined by AMC or Regal but that Cinemark exhibited in the fiscal month during which LLC provides the Advertising Services. Cinemark 4.03 Opt-In Revenue shall be calculated by aggregating, for the applicable fiscal month, the amount equal to the product of (i) the 4.03 Revenue for each relevant advertising campaign, multiplied by (ii) the following fraction (A) the numerator of which is Cinemark Attendance and (B) the denominator of which is Aggregate 4.03 Opt-In Attendance.

"Cinemark 4.03 Opt-Out Attendance" means Cinemark Attendance calculated only with respect to Theatres that do not display an advertising campaign pursuant to Section 4.03(viii) or (ix) of this Agreement or because of lack of equipment to display the Video Display Program.

"Cinemark 4.03 Opt-Out Revenue" means the estimate of the proportional share of additional 4.03 Revenue that would have been available to LLC in the applicable fiscal month from an advertising campaign that was not displayed in all Theatres pursuant to Cinemark's decision under Section 4.03(viii) or (ix) of this Agreement or lack of equipment to display the Video Display Program. Cinemark 4.03 Opt-Out Revenue shall be calculated by aggregating for the applicable fiscal month the amount equal to the product of (i) the 4.03 Revenue for each relevant advertising campaign, multiplied by (ii) the following fraction (A) the numerator of which is Cinemark 4.03 Opt-Out Attendance and (B) the denominator of which is 4.03 Participating Attendance.

"Cinemark Attendance" means the total number of patrons in all Theatre auditoriums (excluding auditoriums that do not run the applicable advertising due to human or technical error within Cinemark's control, Cinemark's failure to allow LLC to upgrade the Software or Equipment, Cinemark's failure to install Equipment pursuant to its obligations under Section 3.04 or, after notice and opportunity to cure as set forth in Section 3.08(b), as the result of Cinemark's failure to repair or replace any Cinemark Equipment or Cinemark's (or its Affiliates') software installed at any Theatre, if such obligation to repair or replace is undertaken by Cinemark pursuant to Section 3.08(b) and excluding auditoriums with IMAX Screens that do not exhibit Inventory), during the applicable measurement period.

"Cinemark Attendance Ratio" means the quotient of: (i) Cinemark Attendance, divided by (ii) the sum of (A) the Cinemark Attendance, (B) the AMC Attendance and (C) the Regal Attendance.

"Cinemark Digital Screen Count" means the Digital Screen Number with respect to all Theatres for the applicable measurement period.

"Cinemark Screen Count" means the Screen Number with respect to all Theatres for the applicable measurement period.

"Cinemark Screen Ratio" means the quotient of: (i) Cinemark Screen Count, divided by (ii) the sum of (A) the Cinemark Screen Count, (B) the AMC Screen Count and (C) the Regal Screen Count.

"Cinemark Theatre Access Pool" means the sum of (i) the Cinemark Theatre Access Attendance Fee and (ii) the Cinemark Theatre Access Screen Fee.

"Cinemark Theatre Access Attendance Fee" means the product of (i) the Theatre Access Fee per Patron and (ii) Cinemark Attendance for the applicable fiscal month.

"Cinemark Theatre Access Screen Fee" means the product of (i) the Theatre Access Fee per Digital Screen and (ii) the Cinemark Digital Screen Count, calculated as the average between the number of Digital Screens on the last day of the preceding measurement period and the last day of the applicable measurement period.

"Digital Programming EBITDA" means, for the applicable measurement period, the portion of LLC EBITDA attributable to the Digital Programming Services business line, as reasonably determined by LLC based upon the revenues for Digital Programming Services and an estimated allocation of expenses for such period.

"Digital Screen Number" means the total number of Digital Screens for the applicable measurement period, calculated as the average between the number of Digital Screens on the last day of the preceding measurement period and the last day of the applicable measurement period.

"Encumbered Exhibitor Allocation" means ***.

“Encumbered Service Revenue” means ***.

“Exclusivity EBITDA” means ***.

“Exclusivity Percentage” means ***.

“Exclusivity Run-Out Payment” means, for the applicable fiscal quarter ***.

“Exhibitor Allocation” means the sum of (i) the product of the Screen Factor and the Cinemark Screen Ratio, and (ii) the product of the Attendance Factor and the Cinemark Attendance Ratio.

“Gross Advertising EBITDA” means Advertising-Related EBITDA less any Beverage Agreement Revenue.

“LLC EBITDA” means the aggregate EBITDA of LLC for the applicable measurement period, excluding any Exclusivity Run-Out Payments paid pursuant to this Agreement or any Exhibitor Services Agreement.

“Meeting Services EBITDA” means, for the applicable measurement period, the portion of LLC EBITDA attributable to the Meeting Services business line, as reasonably determined by LLC based upon the revenues for Meeting Services and an estimated allocation of expenses for such period.

“Non-Encumbered Exhibitor Allocation” means ***.

“Non-Service EBITDA” means, for the applicable measurement period, the portion of LLC EBITDA attributable to a business line other than Advertising Services, Meeting Services or Digital Programming Services. For the avoidance of doubt, Non-Service EBITDA shall not include Exclusivity Run-Out Payments pursuant to this Agreement or any other Exhibitor Services Agreement.

“Regal Attendance” means the total number of patrons in all Regal Theatre auditoriums (excluding auditoriums that do not run the applicable advertising due to human or technical error within Regal’s control, Regal’s failure to allow LLC to upgrade the Software or Equipment, Regal’s failure to install Equipment pursuant to its obligations under Section 3.04 of its Exhibitor Services Agreement or, after notice and opportunity to cure as set forth in Section 3.08(b) of its Exhibitor Services Agreement, as the result of Regal’s failure to repair or replace any Regal Equipment or Regal’s (or its Affiliates’) software installed at any Theatre, if such obligation to repair or replace is undertaken by Regal pursuant to Section 3.08(b) of its Exhibitor Services Agreement and excluding auditoriums with IMAX Screens that do not exhibit Inventory), during the applicable measurement period.

“Regal Equipment” means the Equipment owned by Regal, pursuant to the Regal Exhibitor Agreement.

“Regal Screen Count” means the Screen Number with respect to all Regal Theatre screens for the applicable measurement period.

“Regal Theatre Access Pool” means the Regal Theatre Access Pool, calculated pursuant to the Regal Exhibitor Agreement.

“Screen Factor” means the percentage resulting from 1 minus the Attendance Factor.

“Screen Number” means, with respect to any measurement period, the sum of the total number of screens in the applicable theatres on each day of the applicable measurement period, all divided by the number of days in the applicable measurement period, provided that a screen shall not be counted for purposes of this calculation if such screen is inaccessible to exhibit Inventory for the majority of the planned exhibitions for any particular day (i) with respect to the Theatres: due to human or technical error within Cinemark’s or its Affiliates’ control, Cinemark’s failure to allow LLC to upgrade the Software or Equipment (subject to Section 3.05), Cinemark’s failure to install Equipment pursuant to its obligations under Section 3.04 or, after notice and opportunity to cure as set forth in Section 3.08(b), as the result of Cinemark’s failure to repair or replace any Cinemark Equipment or Cinemark’s (or its Affiliates’) software installed at any Theatre, if such obligation to repair or replace is undertaken by Cinemark pursuant to Section 3.08(b)), (ii) with respect to the AMC Theatres: due to human or technical error within AMC’s or its Affiliates’ control, AMC’s failure to allow LLC to upgrade the Software or Equipment (subject to Section 3.05 of its Exhibitor Services Agreement), AMC’s failure to install Equipment pursuant to its obligations under Section 3.04 of its Exhibitor Services Agreement or, after notice and opportunity to cure as set forth in Section 3.08(b), as the result of AMC’s failure to repair or replace any AMC Equipment or AMC’s (or its Affiliates’) software installed at any Theatre, if such obligation to repair or replace is undertaken by AMC pursuant to Section 3.08(b) of its Exhibitor Services Agreement), (iii) with respect to the Regal Theatres: due to human or technical error within Regal’s or its Affiliates’ control, Regal’s failure to allow LLC to upgrade the Software or Equipment (subject to Section 3.05 of its Exhibitor Services Agreement), Regal’s failure to install Equipment pursuant to its obligations under Section 3.04 of its Exhibitor Services Agreement or, after notice and opportunity to cure as set forth in Section 3.08(b), as the result of Regal’s failure to repair or replace any Regal Equipment or Regal’s (or its Affiliates’) software installed at any Theatre, if such obligation to repair or replace is undertaken by Regal pursuant to Section 3.08(b) of its Exhibitor Services Agreement), or (iv) if such screen is an IMAX Screen that does not exhibit Inventory.

“Supplemental Theatre Access Fee” means an annual payment from LLC to Cinemark to supplement the amount of the Theatre Access Fee, payable only if the Aggregate Theatre Access Fee is less than twelve percent of Aggregate Advertising Revenue for the applicable fiscal year. The Supplemental Theatre Access Fee, if any, is equal to the product of (i) (A) twelve percent of Aggregate Advertising Revenue for the relevant fiscal year minus (B) the Aggregate Theatre Access Fee for the relevant fiscal year, and (ii) the Cinemark Attendance Ratio for the relevant fiscal year.

“Theatre Access Fee” means a monthly payment from LLC to Cinemark in consideration for Theatres’ participation in Advertising Services, which shall be the sum of (i) the Cinemark Theatre Access Pool and (ii) the 4.03 Theatre Access Fee.

"Theatre Access Fee per Digital Screen" means $66.67 per month per Digital Screen as of the Effective Date through the end of LLC's 2007 fiscal year and shall increase 5% annually thereafter.

"Theatre Access Fee per Patron" means a fee of $0.07 per Theatre patron as of the Effective Date and shall increase 8% every five years, with the first such increase after the end of LLC's 2011 fiscal year. Patrons are counted as set forth in the definition of Cinemark Attendance.

"Theatre Access Pool Percentage" means (i) the Aggregate Theatre Access Pool for the applicable fiscal month, divided by (ii) the difference between (A) Aggregate Advertising Revenue minus (B) Aggregate 4.03 Opt-In Revenue, for the applicable fiscal month.

In addition to the foregoing, the following terms have the meanings assigned in the Sections of this Agreement referred to in the table below:

Term	Section
4.03 Revenue	4.03
Adverting Services	Article 1
Affiliate	Article 1
Aggregate Advertising Revenue	Article 1
AMC Exhibitor Agreement	Article 1
AMC Theatre	Article 1
Beverage Agreement	Article 1
Cinemark	Preamble
Cinemark Equipment	Article 1
Digital Programming	Article 1
Digital Programming Services	Article 1
Digital Screen	Article 1
Digitized Theatre	Article 1
EBITDA	Article 1
Effective Date	Preamble
Encumbered Theatre	4.08
Equipment	Article 1
Founding Members	Article 1
IMAX Screens	4.13(b)
Inventory	Article 1
LLC	Preamble
Meeting Services	Article 1
Regal Exhibitor Agreement	Article 1
Regal Theatre	Article 1
Software	Article 1
Theatres	Article 1

B. Exhibitor Allocation

Formula[1]

Exhibitor Allocation = (Screen Factor * Cinemark Screen Ratio) + (Attendance Factor * Cinemark Attendance Ratio); where:

(1) Screen Factor = 1 — Attendance Factor

(2) Cinemark Screen Ratio = Cinemark Screen Count / (Cinemark Screen Count + AMC Screen Count + Regal Screen Count)

(a) Screen Count (for each of Cinemark, AMC and Regal) = Screen Number for that exhibitor during the applicable measurement period

(b) Screen Number = Number of screens available in the exhibitor's Theatres on each day of the applicable measurement period to exhibit Inventory / Total number of days in the applicable measurement period

(3) Attendance Factor = Percentage of advertising revenue attributable to contracts with pricing based on any factor other than number of screens (e.g., pricing based on attendance or flat fee) compared to total advertising revenue, as calculated on the first day of each fiscal quarter

(4) Cinemark Attendance Ratio = Cinemark Attendance / (Cinemark Attendance + AMC Attendance + Regal Attendance)

(a) Attendance (for each of Cinemark, AMC and Regal) = Total number of patrons in all of the exhibitor's Theatre auditoriums during the applicable measurement period

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1 The meaning of each term used in this exhibitor allocation formula is qualified by the Definitions section of this Schedule 1.

C. Theatre Access Fee

Formula[2] for Monthly Payments of Theatre Access Fee and Annual Payments of Supplemental Theatre Access Fee

Theatre Access Fee = Cinemark Theatre Access Pool + 4.03 Theatre Access Fee; where:

(1) Cinemark Theatre Access Pool = Cinemark Theatre Access Attendance Fee + Cinemark Theatre Access Screen Fee

(a) Cinemark Theatre Access Attendance Fee = Theatre Access Fee per Patron * Cinemark Attendance

(i) Theatre Access Fee per Patron = $0.07 per patron (subject to an increase of 8% every five years, with the first such increase occurring after the end of LLC's 2011 fiscal year)

(ii) Cinemark Attendance = Number of patrons in all Theatre auditoriums that exhibit the advertising

(b) Cinemark Theatre Access Screen Fee = Theatre Access Fee per Digital Screen * Cinemark Digital Screen Count

(i) Theatre Access Fee per Digital Screen = $66.67 per Digital Screen (subject to a 5% annual increase, beginning after the end of LLC's 2007 fiscal year)

(ii) Cinemark Digital Screen Count = Number of screens in Digitized Theatres that exhibit advertising

(2) 4.03 Theatre Access Fee = (Cinemark 4.03 Opt-In Revenue — Cinemark 4.03 Opt-Out Revenue) * Theatre Access Pool Percentage

(a) Cinemark 4.03 Opt-In Revenue = For each advertising campaign that is displayed by Cinemark and contains content not displayed by AMC or Regal pursuant to Section 4.03(i), (iii), (iv), (v) or (vi) of this Agreement, the aggregate of the products obtained from the following calculation:

4.03 Revenue for that advertising campaign * (Cinemark Attendance / Aggregate 4.03 Opt-In Attendance)

(i) Cinemark Attendance = See Section B of this Schedule

(ii) Aggregate 4.03 Opt-In Attendance = Sum of Cinemark Attendance, AMC Attendance and Regal Attendance, as applicable, for the Founding Members that displayed such 4.03 content

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2 The meaning of each term used in this Theatre Access Fee formula and Supplemental Theatre Access Fee formula is qualified by the definitions in Section A of this Schedule 1.

(b) Cinemark Opt-Out Revenue = For each advertising campaign that is not displayed in all Theatres pursuant to Cinemark's decision under Section 4.03(viii) or (ix) of this Agreement or lack of equipment to display the Video Display Program, the aggregate of the products obtained by the following calculation:

4.03 Revenue for that advertising campaign * (Cinemark 4.03 Opt-Out Attendance / 4.03 Participating Attendance)

(i) Cinemark 4.03 Opt-Out Attendance = Cinemark Attendance during the applicable fiscal month at Theatres that did not display content pursuant to Section 4.03(viii) or (ix) of this Agreement or because of lack of equipment to display the Video Display Program

(ii) 4.03 Participating Attendance = Sum of Cinemark Attendance, AMC Attendance and Regal Attendance at Theatres, AMC Theatres and Regal Theatres that displayed such content

(c) Theatre Access Pool Percentage = Aggregate Theatre Access Pool / (Aggregate Advertising Revenue — Aggregate 4.03 Opt-In Revenue)

(i) Aggregate Theatre Access Pool = Sum of Cinemark Theatre Access Pool + AMC Theatre Access Pool + Regal Theatre Access Pool

(ii) Aggregate Advertising Revenue = LLC's revenue related to Advertising Services, except Event Sponsorships, revenue related to relationships with third parties that are not Founding Members and Advertising Services provided to Founding Members outside the provisions of this Agreement

(iii) Aggregate 4.03 Opt-In Revenue = The aggregate of all 4.03 Revenue for each advertising campaign that any Founding Member opted not to display pursuant to Section 4.03(i), (iii), (iv), (v) or (vi).

Supplemental Theatre Access Fee = If Aggregate Theatre Access Fee < (12% * Aggregate Advertising Revenue): ((12% * Aggregate Advertising Revenue) — Aggregate Theatre Access Fee)) * Cinemark Attendance Ratio; where:

(1) Aggregate Theatre Access Fee = Sum of Theatre Access Fee plus the comparable theatre access fee payments made to AMC and Regal for the same period

(2) Cinemark Attendance Ratio = See Section B of this Schedule

D. Exclusivity Run-Out Payment

Formula[3] for Quarterly Payments

Exclusivity Run-Out Payment = ***

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3 The meaning of each term used in this Exclusivity Run-Out Payment formula is qualified by the definitions in Section A of this Schedule 1.

NATIONAL CINEMEDIA, LLC

THIRD AMENDED AND RESTATED
LIMITED LIABILITY COMPANY OPERATING AGREEMENT

DATED AS OF FEBRUARY 13, 2007

TABLE OF CONTENTS

THIRD AMENDED AND RESTATED
LIMITED LIABILITY COMPANY OPERATING AGREEMENT

OF

NATIONAL CINEMEDIA, LLC

This Third Amended and Restated Limited Liability Company Operating Agreement (this "**Agreement**") of National CineMedia, LLC, a Delaware limited liability company (the "**Company**"), is made and entered into as of February 13, 2007, by and among each of the parties hereto and amends and restates in full the Second Amended Agreement.

RECITALS

A. National Cinema Network, Inc., a Delaware corporation ("**NCN**"), and Regal CineMedia Holdings, LLC, a Delaware limited liability company ("**Regal**" or the "**Regal Founding Member**"), formed the Company and entered into the Limited Liability Company Operating Agreement of National CineMedia, LLC, dated as of March 29, 2005 (the "**Original Agreement**").

B. Cinemark Media, Inc., a Delaware corporation ("**Cinemark Media**" or the "**Cinemark Founding Member**"), was admitted as a Founding Member in the Company pursuant to that certain Contribution Agreement, dated as of July 15, 2005 (the "**Contribution Agreement**"), and that certain Amended and Restated Limited Liability Company Operating Agreement of National CineMedia, LLC, dated as of July 15, 2005 (the "**First Amended Agreement**").

C. NCN merged with and into American Multi-Cinema, Inc., a Missouri Corporation ("**AMC**" or the "**AMC Founding Member**"), with AMC as the surviving entity.

D. The First Amended Agreement has been amended pursuant to the First Amendment to the Amended and Restated Limited Liability Company Operating Agreement of National CineMedia, LLC, dated as of December 12, 2006 (the "**First Amendment**"), the Second Amendment to the Amended and Restated Limited Liability Company Operating Agreement of National CineMedia, LLC, dated as of January 23, 2007 (the "**Second Amendment**"), and the Third Amendment to the Amended and Restated Limited Liability Company Operating Agreement of National CineMedia, LLC, dated as of February 7, 2007 (the "**Third Amendment**", and together with the First Amended Agreement, the First Amendment, and the Second Amendment, the "**Second Amended Agreement**").

E. The Company and National CineMedia, Inc., a Delaware corporation ("**NCM Inc.**"), have entered into a Common Unit Subscription Agreement, dated as of February 13, 2007 (the **"Subscription Agreement"**), pursuant to which the Company has agreed to issue Common Units to NCM Inc. as more fully provided therein.

F. AMC, Regal and Cinemark Media desire to amend and restate the Second Amended Agreement to reflect the addition of NCM Inc. as a Member in the Company and its designation as sole Manager of the Company.

G. The respective board of directors and manager of each of AMC, Regal and Cinemark Media, respectively, and the board of directors of NCM Inc. have approved this Agreement.

The parties hereto agree as follows:

ARTICLE 1

DEFINITIONS

1.1 Defined Terms. The following terms shall have the following meanings in this Agreement:

"**Adjusted Capital Account Balance**" means, with respect to any Member, the balance in such Member's Capital Account after giving effect to the following adjustments: (a) debits to such Capital Account of the items described in Section l.704-1(b)(2)(ii)(d)(4-6) of the Treasury Regulations, and (b) credits to such Capital Account of such Member's share of Partnership Minimum Gain or Partner Nonrecourse Debt Minimum Gain or of any amount which such Member would be required to restore under this Agreement or otherwise. The foregoing definition of Adjusted Capital Account Balance is intended to comply with the provisions of Section l.704-1(b)(2)(ii)(d) of the Treasury Regulations and shall be interpreted consistently therewith.

"**Affiliate**" means with respect to any Person, any Person that directly or indirectly, through one or more intermediaries Controls, is Controlled by or is under common Control with such Person. Notwithstanding the foregoing, (i) no Member shall be deemed an Affiliate of the Company, (ii) the Company shall not be deemed an Affiliate of any Member, (iii) no stockholder of REG, or any of such stockholder's Affiliates (other than REG and its Subsidiaries) shall be deemed an Affiliate of any Member or the Company, (iv) no stockholder of Marquee Holdings, or any of such stockholder's Affiliates (other than Marquee Holdings and its Subsidiaries) shall be deemed an Affiliate of any Member or the Company, (v) no stockholder of Cinemark, or any of such stockholder's Affiliates (other than Cinemark and its Subsidiaries) shall be deemed an Affiliate of any Member or the Company, (vi) no stockholder of NCM Inc. shall be deemed an Affiliate of NCM Inc., and (vii) NCM Inc. shall not be deemed an Affiliate of any stockholder of NCM Inc.

"**Agreement**" has the meaning set forth in the preamble of this Agreement, as the same may be amended, supplemented or otherwise modified from time to time.

"**AMC**" has the meaning set forth in the Recitals of this Agreement or its successor.

"**AMC Founding Member**" has the meaning set forth in the Recitals of this Agreement.

"**Applicable Tax Rate**" means (i) 40% or (ii) if, at the time of the relevant distribution described in Section 7.6(f) of the Senior Credit Facility, the highest combined federal, state and local marginal rate applicable to corporate taxpayers residing in New York

City, New York, taking into account the deductibility of state and local income taxes for federal income tax purposes shall exceed 40%, such higher rate.

"**Available Cash**" means for a particular period: (i) the Company's earnings before interest, taxes, depreciation and amortization (as determined in accordance with GAAP); plus (ii) non-cash items of deduction or loss (other than items related to barter transactions) subtracted in determining the Company's earnings under clause (i); plus (iii) interest income received by the Company to the extent such income is not otherwise included in determining the Company's earnings under clause (i); plus (iv) amounts received by the Company pursuant to the Loews Agreement or other similar agreements to the extent such amounts are not otherwise included in determining the Company's earnings under clause (i); plus (v) amounts received by the Company pursuant to the Common Unit Adjustment Agreement to the extent such amounts are not otherwise included in determining the Company's earnings under clause (i); plus (vi) amounts received by the Company pursuant to Section 3.5(c) to the extent such amounts are not otherwise included in determining the Company's earnings under clause (i); plus (vii) net proceeds (after expenses attributable to the sale) from the sale of Company assets to the extent such proceeds are not otherwise included in determining the Company's earnings under clause (i); plus (viii) for the second Fiscal Period of each Fiscal Year, the amount of any Distribution Increase attributable to the Distribution Year; plus (ix) for the fourth Fiscal Period of each Fiscal Year, any amounts that the Company was not permitted to distribute to the Members for each of the immediately preceding three Fiscal Periods of such Fiscal Year as a result of the application of Section 7.6(h) of the Senior Credit Facility (to the extent such amounts are not restricted under Section 7.6(h) of the Senior Credit Facility as of the last day of the fourth Fiscal Period); less (x) non-cash items of income or gain (other than items related to barter transactions) added in determining the Company's earnings under clause (i); less (xi) amounts paid by the Company pursuant to the Exhibitor Services Agreements, the Management Services Agreement or other similar agreements to the extent such amounts are not otherwise deducted in determining the Company's earnings under clause (i); less (xii) amounts paid by the Company pursuant to the Common Unit Adjustment Agreement to the extent such amounts are not otherwise deducted in determining the Company's earnings under clause (i); less (xiii) taxes paid by the Company; less (xiv) Capital Expenditures made by the Company; less (xv) for the second Fiscal Period of each Fiscal Year, the amount of any Distribution Decrease attributable to the Distribution Year; less (xvi) interest paid by the Company on Funded Indebtedness; less (xvii) mandatory principal payments made by the Company on Funded Indebtedness to the extent such principal payments are made from funds other than funds that were restricted pursuant to Section 7.6(h) of the Senior Credit Facility; less (xviii) amounts (other than interest and principal payments) paid by the Company with respect to Funded Indebtedness to the extent such amounts are not otherwise deducted in determining the Company's earnings under clause (i); provided, however, that: (a) amounts borrowed under, and optional principal payments made on, the Revolving Credit Facility shall not be taken into account in determining Available Cash; (b) amounts received or paid by the Company pursuant to the terms of the Tax Receivable Agreement shall not be taken into account in determining Available Cash; and (c) for the Fiscal Period that includes the date of this Agreement, Available Cash shall be determined beginning on the day following the date of this Agreement through the last day of such Fiscal Period.

"**Beneficial Owner**" or "**beneficial owner**" (including, with correlative meanings, the terms "**beneficial ownership**" and "**beneficially owns**") has the meaning attributed to it in Rules 13d-3 and 13d-5 under the Exchange Act, whether or not applicable, except that a Person shall be deemed to have Beneficial Ownership of all Units that any such Person has the right to acquire, whether such right is exercisable immediately or only after the passage of time or is exercisable only upon the occurrence of a subsequent condition.

"**Board**" has the meaning set forth in Section 1.1 of the First Amended Agreement.

"**Budget**" means an annual operating and capital budget of the Company, including, among other things, anticipated revenues, expenditures (capital and operating), and cash and capital requirements (including any additional capital contributions) of the Company for the following year.

"**Business Day**" means a day other than a Saturday, Sunday, federal holiday or other day on which commercial banks in New York, New York are authorized or required by law to close.

"**Capital Account**" has the meaning set forth in Section 6.3(a) of this Agreement.

"**Capital Contribution**" means the total amount of cash and the agreed fair market value (net of all liabilities secured by such assets that the Company is considered to assume or take subject to under Section 752 of the Code) of all other assets contributed to the Company by a Member.

"**Capital Expenditures**" means all expenditures by the Company for the acquisition or leasing (pursuant to a capital lease) of fixed or capital assets or additions to equipment (including replacements, capitalized repairs and improvements) that the Company is required to capitalize for financial reporting purposes in accordance with GAAP.

"**Carrying Value**" means, with respect to any asset of the Company, the asset's adjusted basis for federal income tax purposes, except that the Carrying Values of all assets of the Company shall be adjusted to equal their respective fair market values, in accordance with the rules, events, and times, set forth in Treasury Regulations Section l.704-l(b)(2)(iv)(f) and otherwise provided for in the rules governing maintenance of Capital Accounts under Treasury Regulations, except as otherwise provided herein; provided, however, that such adjustments shall be made only if the Manager reasonably determines that such adjustments are necessary or appropriate to reflect the relative economic interests of the Members. The Carrying Value of any asset of the Company distributed to any Member shall be adjusted immediately prior to such distribution to equal its fair market value and depreciation shall be calculated by reference to Carrying Value, instead of tax basis, once Carrying Value differs from tax basis. The Carrying Value of any asset contributed (or deemed contributed under Treasury Regulations Section l.704-1(b)(1)(iv)) by a Member to the Company will be the fair market value of the asset at the date of its contribution thereto.

"**Cash Equivalents**" means any of the following denominated in U.S. Dollars: (i) marketable direct obligations issued or unconditionally guaranteed by the government of the United States or issued by any agency thereof and backed by the full faith and credit of the United States maturing within one year from the date of acquisition thereof; (ii) marketable direct obligations issued by any state of the United States or any political subdivision of any such state or any public instrumentality thereof maturing within one year from the date of acquisition thereof and, at the time of acquisition, having the highest rating obtainable from any of Standard & Poor's Corporation or any successor rating agency ("**S&P**") or Moody's Investors Service, Inc. or any successor rating agency ("**Moody's**"); (iii) commercial paper maturing not more than one year from the date of issuance thereof and, at the time of acquisition, having the highest rating obtainable from either S&P or Moody's; (iv) time deposits, certificates of deposit or bankers' acceptances, maturing not more than one year from the date of issuance thereof, of any commercial bank or trust company having capital and surplus in excess of $500,000,000 and the commercial paper of the holding company of which has the highest rating obtainable from either S&P or Moody's; or (v) investments in money market funds complying with the risk limiting conditions of Rule 2a-7 or any successor rule of the Securities and Exchange Commission under the Investment Company Act of 1940, in each case provided in clauses (i), (ii), (iii) and (iv) above, maturing within one year from the date of acquisition.

"**Cash Settlement**" means immediately available funds in an amount equal to the Redeemed Units Equivalent.

"**Certificate**" has the meaning set forth in Section 2.1(a) of this Agreement.

"**Change of Control**" with respect to any Person that is not an individual, means (i) any merger or consolidation with or into any other entity or any other similar transaction, whether in a single transaction or series of related transactions, where (A) the members or stockholders of such Person immediately prior to such transaction in the aggregate cease to own more than 50% of the general voting power of the entity surviving or resulting from such transaction (or its stockholders or the Ultimate Parent thereof) or (B) any Person or Group becomes the beneficial owner of more than 50% of the general voting power of the entity surviving or resulting from such transaction (or its stockholders or the Ultimate Parent thereof), (ii) any transaction or series of related transactions in which in excess of 50% of such Person's general voting power is Transferred to any other Person or Group or (iii) the sale or Transfer by such Person of all or substantially all of its assets.

"**Cinemark**" means Cinemark Holdings, Inc. or its successor or any Person that wholly-owns Cinemark, directly or indirectly, in the future.

"**Cinemark Founding Member**" has the meaning set forth in the Recitals of this Agreement.

"**Cinemark Media**" has the meaning set forth in the Recitals of this Agreement or its successor.

"**Cinemark USA**" means Cinemark USA, Inc., a Texas corporation, or its successor.

"**Class A Units**" has the meaning set forth in Section 1.1 of the First Amended Agreement.

"**Code**" means the Internal Revenue Code of 1986, as amended from time to time, or any successor statute and the rules and regulations thereunder in effect from time to time. Any reference herein to a specific provision of the Code shall mean, where appropriate, the corresponding provision in any successor statute.

"Common Unit" means a Unit having the rights described in Section 3.4(d) of this Agreement.

"**Common Unit Adjustment Agreement**" means the Common Unit Adjustment Agreement, dated as of February 13, 2007, by and among the AMC Founding Member, the Regal Founding Member, Regal Cinemas, the Cinemark Founding Member, Cinemark USA, NCM Inc. and the Company, as the same may be amended, supplemented or otherwise modified from time to time.

"**Common Unit Purchase**" has the meaning set forth in Section 3.4(b) of this Agreement.

"**Company**" has the meaning set forth in the preamble of this Agreement.

"**Confidential Information**" has the meaning set forth in Section 10.3(a) of this Agreement.

"**Contribution Agreement**" has the meaning set forth in the Recitals of this Agreement, as the same may be amended, supplemented or otherwise modified from time to time.

"**Contribution and Unit Holders Agreement**" means the Contribution and Unit Holders Agreement, dated as of March 29, 2005, by and among the Company, RCM and AMC, as the successor to NCN, as the same may be amended, supplemented or otherwise modified from time to time.

"**Contribution Notice**" has the meaning set forth in Section 9.1(b) of this Agreement.

"**Control**" (including the terms "**Controlled by**" and "**under common Control with**"), with respect to the relationship between or among two or more Persons, means the possession, directly or indirectly, of the power to direct or cause the direction of the affairs or management of a Person, whether through the ownership of voting Equity Interests, as trustee or executor, by contract or otherwise.

"**CPI**" means the monthly index of the U.S. City Average Consumer Price Index for Urban Wage Earners and Clerical Workers (All Items; 1982-84 equals 100) published by the United States Department of Labor, Bureau of Labor Statistics or any successor agency that shall issue such index. In the event that the CPI is discontinued for any reason, the Manager shall use such other index, or comparable statistics, on the cost of living for urban areas of the United States, as shall be computed and published by any agency of the United States or, if no such index is published by any agency of the United States, by a responsible financial periodical of recognized authority.

"**CPI Adjustment**" means the quotient of (i) the CPI for the month of January in the calendar year for which the CPI Adjustment is being determined, divided by (ii) the CPI for January of 2007.

"**DCN**" has the meaning set forth in Section 2.6(a) of this Agreement.

"**Director Designation Agreement**" means the Director Designation Agreement, dated as of February 13, 2007, by and among NCM Inc. and all of the Founding Members, as the same may be amended, supplemented or otherwise modified from time to time.

"**Distribution Amount**" means, with respect to a Fiscal Period, the lesser of (i) the Company's Available Cash as of the last day of such Fiscal Period (reduced by any amounts distributed by the Company to NCM Inc. under Section 3.5(c)(ii)), or (ii) the amount that may be distributed with respect to such Fiscal Period under Section 7.6 of the Senior Credit Facility.

"**Distribution Decrease**" has the meaning set forth in Section 5.4(a)(iii) of this Agreement.

"**Distribution Increase**" has the meaning set forth in Section 5.4(a)(iii) of this Agreement.

"**Distribution Year**" has the meaning set forth in Section 5.4(a)(iii) of this Agreement.

"**Equity Compensation Notice**" has the meaning set forth in Section 3.5(c)(i) of this Agreement.

"**Equity Incentive Plan**" means the National CineMedia, Inc. 2007 Equity Incentive Plan, as the same may be amended, supplemented or otherwise modified from time to time.

"**Equity Interests**" means, with respect to any Person, any and all shares, interests, participations or other equivalents (however designated, whether voting or non-voting) of capital stock, partnership interests (whether general or limited), limited liability company interests or equivalent ownership interests in or issued by, or interests, participations or other equivalents to share in the revenues or earnings of (except as provided in any service agreement that includes a revenue sharing component entered into in the ordinary course of business), such Person or securities convertible into, or exchangeable or exercisable for, such shares, interests, participations or other equivalents and options, warrants or other rights to acquire such shares, interests, participations or other equivalents; provided that discounts and rebates granted in the ordinary course of business shall not in any event constitute an Equity Interest.

"**ERISA**" means the Employee Retirement Income Security Act of 1974, as amended and the rules and regulations promulgated thereunder, as the same may be amended from time to time.

"**ESA Party**" means (i) AMC in the case of AMC, (ii) Cinemark USA in the case of Cinemark Media, and (iii) Regal Cinemas in the case of Regal.

"**ESA-Related Tax Benefit Payment**" has the meaning set forth in Section 1.01 of the Tax Receivable Agreement.

"**ESA-Related Payment**" has the meaning set forth in Section 1.01 of the Tax Receivable Agreement.

"**Excess Nonrecourse Liability**" has the meaning set forth in Section 1.752-3(a)(3) of the Treasury Regulations.

"**Exchange Act**" means the Securities and Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder, as the same may be amended from time to time.

"**Exhibitor Services Agreement**" means each separate Exhibitor Services Agreement, dated as of February 13, 2007, (i) by and between the Company and AMC, (ii) by and between the Company and Regal Cinemas, and (iii) by and between the Company and Cinemark USA, all as may be amended, supplemented or otherwise modified from time to time.

"**Final Circuit Share Payments**" means the payments to be made by the Company pursuant to the terms of that certain letter agreement, dated as of February 13, 2007, by and among the Company, AMC, Cinemark USA and Regal Cinemas.

"First Amended Agreement" has the meaning set forth in the Recitals of this Agreement.

"**First Amendment**" has the meaning set forth in the Recitals of this Agreement.

"**Fiscal Month**" means each fiscal month within the Company's Fiscal Year, as determined by the Manager.

"**Fiscal Period**" means each fiscal quarter which shall consist of three Fiscal Months.

"**Fiscal Year**" means the fiscal year of the Company ending on the first Thursday after December 25th of each year.

"**Founding Member(s)**" means each of the AMC Founding Member, the Cinemark Founding Member and the Regal Founding Member, and which shall include each of such Founding Member's Permitted Transferees so long as Section 8.2(c) is satisfied; provided that if a Founding Member and all of its Permitted Transferees cease to own Common Units (e.g., as a result of the surrender of Common Units pursuant to the Common Unit Adjustment Agreement or the redemption of Common Units pursuant to the exercise of the Redemption Right) the Founding Member and its Permitted Transferees shall no longer be treated as a Founding Member under this Agreement notwithstanding that the Founding Member or its Permitted Transferees may subsequently acquire additional Common Units in the Company (e.g., pursuant to the Common Unit Adjustment Agreement, in which event the Founding Member or its Permitted Transferee will be treated as a Member under this Agreement).

"**Founding Member Approval**" means the approval of each Founding Member (in each Founding Member's sole discretion);provided that a Founding Member shall not be entitled to participate in giving Founding Member Approval as provided in Section 4.3(c).

"**Founding Member Approval Rights**" has the meaning set forth in Section 4.3(a) of this Agreement.

"**Founding Member Representation Letter**" has the meaning set forth in Section 4.1(i) of the Contribution and Unit Holders Agreement.

"**Funded Indebtedness**" means the sum of (i) Indebtedness of the Company under the Senior Credit Facility (including the Preferred Unit Indebtedness and the Revolving Credit Facility), or any refinancing thereof, plus (ii) additional Indebtedness, or any refinancing thereof, of the Company as permitted under the terms of the Senior Credit Facility.

"**GAAP**" means generally accepted accounting principles in the United States in effect as of the relevant date on which GAAP is to be determined.

"**Governmental Authority**" means any nation or government, any state or other political subdivision thereof, and any entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government.

"**Group**" has the meaning set forth in Section 13(d)(3) and Rule 13d-5 of the Exchange Act.

"**Indebtedness**" means, with respect to any Person, at any date, without duplication, (i) all obligations of such Person for borrowed money, (ii) all obligations of such Person evidenced by bonds, debentures, notes or other similar instruments issued by such Person, (iii) all obligations of such Person to pay the deferred purchase price for property or services, except trade accounts payable arising in the ordinary course of business and consistent with past practice, (iv) all reimbursement obligations of such Person in respect of letters of credit or other similar instruments, (v) all Indebtedness of others secured by any lien, encumbrance or mortgage on any asset of such Person, and (vi) all Indebtedness of others guaranteed (whether by virtue of partnership arrangements, by agreement to keep well, to purchase assets, goods, securities or services, to take-or-pay, or to maintain a minimum net worth, financial ratio or similar requirements, or otherwise) by such Person.

"**Indemnitee**" has the meaning set forth in Section 4.14(a) of this Agreement.

"**Independent Directors**" means any director of NCM Inc. that, if the NCM Inc. common stock is traded on the NASDAQ Stock Market, satisfies the definition of an "independent director" set forth in the applicable rules in the Marketplace Rules of the NASDAQ Stock Market, Inc., as such rules may be amended from time to time, or, if the NCM Inc. common stock is then traded on a different exchange, such term shall mean any director of NCM Inc. that satisfies the definition of independent director according to the rules of such exchange.

"**Initial ESA Modification Payment**" means the payments made by the Company under Section 2.05(a)(i) of the Exhibitor Services Agreements.

"**Intellectual Property**" means all U.S., state and foreign intellectual property, including but not limited to all (i) (a) patents, inventions, discoveries, processes and designs; (b) copyrights and works of authorship in any media; (c) trademarks, service marks, trade names, trade dress and other source indicators and the goodwill of the business symbolized thereby; (d) software; and (e) trade secrets and other confidential or proprietary documents, ideas, plans and information; (ii) registrations, applications and recordings related thereto; (iii) rights to obtain renewals, extensions, continuations or similar legal protections related thereto; and (iv) rights to bring an action at law or in equity for the infringement or other impairment thereof

"**Interest**" means a limited liability company interest (other than Preferred Units) in the Company as provided in this Agreement and under the LLC Act and, in addition, any and all rights and benefits to which a Member is entitled under this Agreement, together with all obligations of such Person to comply with, and rights to benefit from, the terms and provisions of this Agreement.

"**Joint Venture Agreements**" means, collectively, this Agreement, the Common Unit Adjustment Agreement, the Contribution Agreement, the Contribution and Unit Holders Agreement (and various related agreements executed simultaneously therewith), the Director Designation Agreement, the Exhibitor Services Agreements, the Founding Member Representation Letter, the Loews Agreement, the Management Services Agreement, the Software License Agreement, the Subscription Agreement and the Tax Receivable Agreement.

"**Joint Venture Purposes**" has the meaning set forth in Section 2.6(c) of this Agreement.

"Liabilities" has the meaning set forth in Section 4.15(a) of this Agreement.

"**Liquidator**" has the meaning set forth in Section 7.2 of this Agreement.

"**LLC Act**" means the Delaware Limited Liability Company Act, 6 Del.C. §§ 18-101, et seq., as it may be amended from time to time, and any successor to such statute.

"**Loews Agreement**" means the First Amended and Restated Loews Screen Integration Agreement, dated as of February 13, 2007, by and among AMC and the Company, as the same may be amended, supplemented or otherwise modified from time to time.

"**Majority Member Vote**" means the affirmative vote by both: (a) holders of Common Units representing a majority of all the Common Units then issued and outstanding and (b) each Founding Member.

"Management Services Agreement" means the Management Services Agreement, dated as of February 13, 2007, by and between the Company and NCM Inc., as the same may be amended, supplemented or otherwise modified from time to time.

"Manager" has the meaning set forth in Section 4.1 of this Agreement.

"**Marquee Holdings**" means Marquee Holdings Inc. or its successor or any Person that wholly-owns Marquee Holdings, directly or indirectly, in the future.

"**Member**" means each Person that becomes a member, as contemplated in the LLC Act, of the Company in accordance with the provisions of this Agreement and has not ceased to be a Member as provided in Section 3.1(d) of this Agreement, and each of such Member's transferees, if applicable.

"**Member Information**" has the meaning set forth in Section 10.3(c) of this Agreement.

"NCM Inc." has the meaning set forth in the Recitals of this Agreement.

"**NCM Inc. Redemption Price**" means the arithmetic average of the volume weighted average prices for a share of NCM Inc. common stock on the principal United States securities exchange or automated or electronic quotation system on which NCM Inc. common stock trades, as reported by Bloomberg, L.P., or its successor, for each of the three (3) consecutive full Trading Days ending on and including the last full Trading Day immediately prior to the Redemption Date, subject to appropriate and equitable adjustment for any stock splits, reverse splits, stock dividends or similar events affecting the NCM Inc. common stock. If the NCM Inc. common stock no longer trades on a securities exchange or automated or electronic quotation system, then a majority of the Independent Directors of NCM Inc. shall determine the NCM Inc. Redemption Price in good faith.

"**NCN**" has the meaning set forth in the Recitals of this Agreement.

"**Net Income**" or "**Net Losses**", as appropriate, means, for any period, the taxable income or tax loss of the Company for such period for federal income tax purposes, as determined in accordance with the accounting method used by the Company for federal income tax purposes, taking into account any separately stated tax items and increased by the amount of any tax-exempt income of the Company during such period and decreased by the amount of any Code Section 705(a)(2)(B) expenditures (within the meaning of Treasury Regulations Section 1.704-1(b)(2)(iv)(i)) of the Company; provided, however, that (i) Net Income or Net Losses of the Company shall be computed without regard to the amount of any items of gross income, gain, loss or deduction that are specifically allocated pursuant to Section 6.4(b), and (ii) in determining Net Income or Net Losses of the Company, any amounts paid under the Management Services Agreement and any amounts paid under the Exhibitor Services Agreements shall be treated as payments to a non-Member under Code Section 707. In the event that the Capital Accounts are adjusted pursuant to an adjustment to the Carrying Value of an asset of the Company or as otherwise provided for in this Agreement, the Net Income or Net Losses of the Company (and the constituent items of income, gain, loss and deduction) realized thereafter shall be computed in accordance with the principles of Treasury Regulations Section 1.704-1(b)(2)(iv)(g). If the Carrying Value of an asset is adjusted, such asset shall be treated as having been sold for its fair market value and any deemed gain or loss shall be taken into account in determining Net Income or Net Losses.

“**Nominating Committee**” has the meaning set forth in Section 1.1 of the Director Designation Agreement.

“**Nonrecourse Debt**” means any Company liability to the extent that no Member or related person bears the economic risk of loss for such liability under Section 1.752-2 of the Treasury Regulations.

“**Options**” means options, issued under the NCM Inc. Equity Incentive Plan, to acquire common stock or other equity equivalents of NCM Inc.

“**Original Agreement**” has the meaning set forth in the Recitals of this Agreement.

“**Over-Allotment Option**” has the meaning set forth in Section 3.4(c) of this Agreement.

“**Over-Allotment Unit Purchase**” has the meaning set forth in Section 3.4(c) of this Agreement.

“**Partner Nonrecourse Debt**” means any Company liability to the extent such liability is nonrecourse for purposes of Section 1.1001-2 of the Treasury Regulations with respect to which a Member (or related person within the meaning of Section 1.752-4(b) of the Treasury Regulations) bears the economic risk of loss under Section 1.752-2 of the Treasury Regulations because, for example, the Member or related person is a creditor or guarantor with respect to such liability.

“**Partner Nonrecourse Debt Minimum Gain**” has the meaning set forth in Section l.704-2(i)(2) of the Treasury Regulations and, as provided therein, shall generally be the amount, with respect to each Partner Nonrecourse Debt, equal to the Partnership Minimum Gain that would result if such Partner Nonrecourse Debt were treated as a Nonrecourse Debt.

“**Partnership Minimum Gain**” has the meaning set forth in Section 1.704-2(b)(2) of the Treasury Regulations and, as provided therein, shall generally be determined by computing, for each Nonrecourse Debt of the Company, any Net Income the Company would realize if it disposed of the property subject to that liability for no consideration other than full satisfaction of the liability and then aggregating the separate amounts of Net Income so computed.

“**Percentage Interest**” means, with respect to any Member at any time, the percentage represented by a fraction, the numerator of which is the number of Common Units owned by such Member, and the denominator of which is the aggregate number of Common Units then outstanding, as shall be adjusted in accordance with Sections 3.4(f), 3.4(g), 3.5 and 9.1, and as otherwise provided in this Agreement.

“**Permitted Transferee**” means (i) in the case of any Member and any Permitted Transferee of any Member, an Affiliate of such Member or Permitted Transferee, or (ii) in the case of any Founding Member and any Permitted Transferee of a Founding Member, a non-Affiliate of such Founding Member or Permitted Transferee if more than 50% of the non-

Affiliate's general voting power is owned directly or indirectly through one or more entities that are the same entities that own 50% or more of the general voting power of the Ultimate Parent of such Founding Member.

"**Person**" means any individual, corporation, limited liability company, partnership, trust, joint stock company, business trust, unincorporated association, joint venture, Governmental Authority or other entity or organization of any nature whatsoever or any Group of two or more of the foregoing.

"**Preferred Distribution**" has the meaning set forth in Section 3.4(e) of this Agreement.

"Preferred Unit" means Units having the rights described in Section 3.4(e) of this Agreement.

"**Preferred Unit Amount**" has the meaning set forth in Section 3.4(e) of this Agreement.

"**Preferred Unit Indebtedness**" has the meaning set forth in Section 3.4(e) of this Agreement.

"**Proprietary Information**" means all Intellectual Property, including but not limited to information of a technological or business nature, whether written or oral and if written, however produced or reproduced, received by or otherwise disclosed to the receiving party from or by the disclosing party that is marked proprietary or confidential or bears a marking of like import, or that the disclosing party states is to be considered proprietary or confidential, or that a reasonable person would consider proprietary or confidential under the circumstances of its disclosure.

"**RCM**" means Regal CineMedia Corporation, a Virginia corporation, or its successor.

"**Redeemed Units**" has the meaning set forth in Section 9.1(a) of this Agreement.

"**Redeemed Units Equivalent**" means the product of (i) the Share Settlement, times (ii) the NCM Inc. Redemption Price.

"**Redeeming Member**" has the meaning set forth in Section 9.1(a) of this Agreement.

"**Redemption Date**" has the meaning set forth in Section 9.1(a) of this Agreement.

"**Redemption Notice**" has the meaning set forth in Section 9.1(a) of this Agreement.

"**Redemption Right**" has the meaning set forth in Section 9.1(a) of this Agreement.

"**REG**" means Regal Entertainment Group or its successor or any Person that wholly-owns REG, directly or indirectly, in the future.

"**Regal**" has the meaning set forth in the Recitals of this Agreement or its successor.

"**Regal Cinemas**" means Regal Cinemas, Inc., a Tennessee corporation, or its successor.

"**Regal Founding Member**" has the meaning set forth in the Recitals of this Agreement.

"**Regulatory Allocations**" has the meaning set forth in Section 6.4(c) of this Agreement.

"**Retraction Notice**" has the meaning set forth in Section 9.1(b) of this Agreement.

"**Revolving Credit Facility**" has the meaning set forth in Section 1.1 of the Senior Credit Facility, and any refinancing thereof.

"**Second Amended Agreement**" has the meaning set forth in the Recitals of this Agreement or its successor.

"**Second Amendment**" has the meaning set forth in the Recitals of this Agreement or its successor.

"**Section 704(c) Property**" means any asset of the Company if the Carrying Value of such asset differs from its adjusted tax basis.

"**Senior Credit Facility**" means the Credit Agreement, dated as of February 13, 2007, by and among the Company, the several banks and other financial institutions or entities from time to time that are parties thereto, Lehman Brothers Inc. and J.P. Morgan Securities, Inc., as joint lead arrangers, JPMorgan Chase Bank, N.A., as syndication agent, Credit Suisse (USA) LLC and Morgan Stanley Senior Funding, Inc., as co-documentation agents, and Lehman Commercial Paper Inc., as administrative agent, as amended, modified or supplemented from time to time and any extension, refunding, refinancing or replacement (in whole or in part) thereof.

"**Services**" has the meaning set forth in Article 1 of the Exhibitor Services Agreements.

"**Share Settlement**" means a number of shares of NCM Inc. common stock equal to the number of Redeemed Units.

"**Software License Agreement**" means the Second Amended and Restated Software License Agreement, dated of even date herewith, by and among the Company, RCM, AMC and Cinemark USA, as the same may be amended, supplemented or otherwise modified from time to time.

"Subscription Agreement" has the meaning set forth in the Recitals of this Agreement, as the same may be amended, supplemented or otherwise modified from time to time.

"**Subsidiary**" means, with respect to any Person, (i) a corporation a majority of whose capital stock with the general voting power under ordinary circumstances to vote in the election of directors of such corporation (irrespective of whether or not, at the time, any other class or classes of securities shall have, or might have, voting power by reason of the happening of any contingency) is at the time beneficially owned by such Person, by one or more Subsidiaries of such Person or by such Person and one or more Subsidiaries thereof or (ii) any other Person (other than a corporation), including a joint venture, a general or limited partnership or a limited liability company, in which such Person, one or more Subsidiaries thereof or such Person and one or more Subsidiaries thereof, directly or indirectly, at the date of determination thereof, beneficially own at least a majority ownership interest entitled to vote in the election of directors, managers or trustees thereof (or other Persons performing such functions) or act as the general partner or managing member of such other Person.

"**Tax Distribution Amount**" means the product of (i) the Applicable Tax Rate, times (ii) the estimated or actual taxable income of the Company, as determined for federal income tax purposes, for the period to which the Tax Distribution Amount relates.

"**Tax Matters Member**" has the meaning set forth in Section 6.2 of this Agreement.

"**Tax Receivable Agreement**" means the Tax Receivable Agreement, dated as of February 13, 2007, by and among the Company, NCM Inc., all of the Founding Members, Regal Cinemas and Cinemark USA, as the same may be amended, supplemented or otherwise modified from time to time.

"**Tax Receivable Distribution Amount**" means the sum of (i) the amount that NCM Inc. is obligated to pay to the Founding Members pursuant to Section 3.01 of the Tax Receivable Agreement, plus (ii) the amount that NCM Inc. is obligated to contribute to the Company pursuant to Section 5.1(b) of this Agreement, both for the period to which the Tax Receivable Distribution Amount relates.

"**TEFRA Election**" means the election under Code Section 6231(a)(1)(B)(ii) and Treasury Regulations Section 301.6231(a)(1)-1(b) to have the provisions of subchapter C of chapter 63 of the Code and the corresponding Treasury Regulations apply with respect to the Company.

"**Third Amendment**" has the meaning set forth in the Recitals of this Agreement or its successor.

"**Trading Day**" means a day on which the principal United States securities exchange on which NCM Inc. common stock is listed or admitted to trading, or the NASDAQ

Stock Market if NCM Inc. common stock is not listed or admitted to trading on any such securities exchange, as applicable, is open for the transaction of business (unless such trading shall have been suspended for the entire day).

"**Transfer**" (including the terms "**Transferred**" and "**Transferring**") means, directly or indirectly, to sell, transfer, give, exchange, bequest, assign, pledge, encumber, hypothecate or otherwise dispose of, either voluntarily or involuntarily (including (i) except as provided in clause (a) below, the direct or indirect Change of Control of any Member or Permitted Transferee (or any direct or indirect holder of equity in a Member or Permitted Transferee), and (ii) upon the foreclosure under any pledge or hypothecation permitted by clause (b) below that results in a change of title), any Equity Interests in the Company or other assets beneficially owned by a Person or any interest in any Equity Interests in the Company or other assets beneficially owned by a Person. Notwithstanding the foregoing: (a) the Change of Control of an ESA Party or its stockholders shall not be deemed to be a Transfer hereunder, and (b) a bona fide pledge of the Units or other Equity Interests in the Company by any Member or its Affiliates shall not be deemed to be a Transfer hereunder.

"**Transferring Member**" has the meaning set forth in Section 8.1(a) of this Agreement.

"**Treasury Regulations**" means the federal income tax regulations, including any temporary regulations, promulgated under the Code, as such Treasury Regulations may be amended from time to time. Any and all references herein to specific provisions of the Treasury Regulations shall be deemed to refer to any corresponding successor provisions.

"**Ultimate Parent**" means (i) Marquee Holdings in the case of AMC, (ii) Cinemark in the case of Cinemark Media, and (iii) REG in the case of Regal.

"**Underwriters**" has the meaning set forth in Section 1.1 of the Unit Purchase Agreement.

"**Underwriting Agreement**" has the meaning set forth in Section 1.1 of the Unit Purchase Agreement.

"**Unit**" means a fractional share of the Interests (other than Preferred Units) of all Members issued in accordance with the terms of this Agreement. The number of Units outstanding and the holders thereof shall be set forth on Exhibit A, as such may be amended from time to time in accordance with this Agreement.

"**Unit Purchase Agreement**" means the Unit Purchase Agreement, dated as of January 23, 2007, by and among NCM Inc., the AMC Founding Member, the Cinemark Founding Member and the Regal Founding Member, as the same may be amended, supplemented or otherwise modified from time to time.

"**Unvested NCM Inc. Shares**" means shares of NCM Inc. common stock issued pursuant to the Equity Incentive Plan that are not Vested NCM Inc. Shares.

"**Vested NCM Inc. Shares**" has the meaning set forth in Section 3.5(c)(ii) of this Agreement.

"**Wholly Owned Subsidiary**" of any Person means a Subsidiary which is 100% owned directly or indirectly by such Person.

1.2 Other Definitional Provisions; Interpretation.

(a) The words "hereof," "herein" and "hereunder" and words of similar import when used in this Agreement will refer to this Agreement as a whole, including the Exhibits and Schedules attached hereto, and not to any particular provision of this Agreement. Articles, section and subsection references are to this Agreement unless otherwise specified.

(b) The words "include" and "including" and words of similar import when used in this Agreement shall be deemed to be followed by the words "without limitation".

(c) The titles and headings in this Agreement are included for convenience of reference only and will not limit or otherwise affect the meaning or interpretation of this Agreement.

(d) The meanings given to capitalized terms defined herein will be equally applicable to both the singular and plural forms of such terms. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms.

ARTICLE 2

FORMATION

2.1 Formation; Qualification.

(a) A Certificate of Formation of the Company (the "**Certificate**") has been executed by an authorized person and was filed with the Secretary of State of the State of Delaware on March 29, 2005, to form on such date the Company as a limited liability company pursuant to the LLC Act. The rights, duties and liabilities of the Members shall be as provided in the LLC Act, except as otherwise provided in this Agreement.

(b) The Company shall be qualified or registered under foreign limited liability company statutes or assumed or fictitious name statutes or similar laws in any jurisdiction in which the Company owns property or transacts business to the extent, in the judgment of the Manager, such qualification or registration is necessary or advisable in order to protect the limited liability of the Members or to permit the Company lawfully to own property or transact business. The Manager shall, to the extent necessary in the judgment of the Manager, maintain the Company's good standing in each such jurisdiction.

(c) The Manager and any Person to whom the Manager delegates authority under this Agreement shall be an "authorized person" within the meaning of § 18-204(a) of the LLC Act, and shall have the power and authority to execute, file and publish any certificates, notices, statements or other documents (and any amendments or restatements thereof) necessary to permit the Company to conduct business as a limited liability company in each jurisdiction where the Company elects to do business.

2.2 **Name**. The name of the limited liability company formed by the filing of the Certificate is "National CineMedia, LLC." However, the business of the Company may be conducted upon compliance with all applicable laws under any other name designated by the Manager.

2.3 **Term**. The term of the Company has commenced as of the date of filing the Certificate and will continue in perpetuity; provided that the Company may be dissolved in accordance with the provisions of this Agreement or by the LLC Act.

2.4 **Headquarters Office**. The Company's headquarters office shall initially be located in Centennial, Colorado. The Manager may determine to open, close or move any office at any time in its absolute discretion.

2.5 **Registered Agent and Office**. The address of the Company's registered office in the State of Delaware is Corporation Trust Center, 1209 Orange Street, City of Wilmington, County of New Castle, Delaware 19801. The name of the Company's registered agent at such address is Corporation Trust Company. The Manager may at any time designate another registered agent or registered office or both.

2.6 **Purposes**. The purpose of the Company is to:

(a) operate and maintain a digital content network ("**DCN**") that is able to distribute advertising, marketing, promotional and other digital content for display on theatre screens and video display monitors in theatres on a worldwide basis and that, among other things, will compete with all areas and forms of media (including cable and television broadcasters), advertising, marketing, promotional and/or any distribution of digital content via any media format on a worldwide basis;

(b) provide advertising, marketing and promotional activities on behalf of any Person involved in the business of exhibiting theatrical motion pictures, including, but not limited to, the Founding Members and their Affiliates (including the Services as set forth in the Exhibitor Services Agreements) whether displayed over the DCN, as non-digital content for display on non-digital theatre screens, through lobby or other in-theatre promotions, or through sponsorships of special events; and

(c) engage in all activities and transactions in furtherance of the foregoing purposes (collectively, the "**Joint Venture Purposes**").

2.7 **Powers**. The Company shall have the power and authority to take any and all actions necessary, appropriate, desirable, advisable, incidental or convenient to, or for the furtherance of, the Joint Venture Purposes, alone or with other Persons.

ARTICLE 3

MEMBERS AND INTERESTS

3.1 Members.

(a) AMC, Regal and Cinemark were previously admitted as Members to the Company subject to the Second Amended Agreement. Upon the execution of this Agreement, NCM Inc. shall be admitted to the Company as a Member. Following the Common Unit Purchase and Over-Allotment Unit Purchase, each Person named as a Member on Exhibit A hereto on the date hereof shall be deemed to own the number of Common Units and Preferred Units specified in Exhibit A.

(b) Exhibit A hereto contains the name, address and number of Common Units and Preferred Units owned by each Member as of the date hereof following the Common Unit Purchase and Over-Allotment Unit Purchase and immediately prior to the Preferred Distribution. The Company shall revise Exhibit A (i) from time to time to reflect the issuance, conversion or Transfer of Units in accordance with the terms of this Agreement and other modifications to or changes in the information set forth therein, and (ii) in accordance with Sections 3.4(f), 3.5 and 9.1. Any amendment or revision to Exhibit A or to the Company's records as contemplated by this Agreement to reflect information regarding Members or under Section 3.4(f), 3.5 or 9.1 shall be deemed to amend this Agreement, but shall not require the approval of the Manager or any Member.

(c) One or more additional Persons may be admitted as a Member of the Company only upon (i) an issuance of Units pursuant to Section 3.4(f) or 3.5 or a Transfer of Units pursuant to Article 8, and (ii) the execution and delivery by such Person of a counterpart to this Agreement or other written agreement, in a form satisfactory to the Manager, to be bound by all the terms and conditions of this Agreement. Upon such execution, the Company shall amend Exhibit A and shall amend this Agreement as the Manager may reasonably determine is necessary, to reflect the admission of such Person as a Member and such other information of such Person as indicated in Exhibit A. Unless admitted to the Company as a Member as provided in this Section 3.1 or Section 8.2, no Person is, or will be considered to be, a Member.

(d) Subject to the other provisions of this Section 3.1 and Section 8.2, each Person that holds one or more Units in compliance with the terms of this Agreement shall be a Member. A Member will cease to be a Member when such Person ceases to own any Units in the Company, in which case Exhibit A shall be amended to reflect that such Person is no longer a Member.

(e) Except as provided in the LLC Act, in no event shall any Member (or any former Member), by reason of its status as a Member (or former Member), have any liability for (i) the debts, duties or any other obligations of the Company, (ii) the repayment of any Capital Contribution of any other Member or (iii) any act or omission of any other Member.

(f) If a Founding Member and one or more of its transferees (which have the rights and powers of a Founding Member under Section 8.2(c)) hold Common Units in the

Company at the same time, such Founding Member and transferees shall designate one of them to act on behalf of all of them and vote all of their Common Units with respect to any matter requiring approval of the Founding Members.

3.2 Meeting of Members.

(a) Annual Meeting. Subject to Section 3.2(g), an annual meeting of Members shall be held on such date and at such time as (i) shall be designated from time to time by the Manager, but no less often than once during each calendar year, and (ii) stated in the notice of the meeting, at which meeting the Members entitled to vote shall transact such business as may properly be brought before the meeting. At each annual meeting of the Members (i) the Manager shall discuss the matters and affairs of the Company, and (ii) the Members shall address such other matters as may be raised at the meeting by the Members or Manager.

(b) Special Meetings. A special meeting of Members, for any purpose or purposes, may be called by the Manager and shall be called by the Manager upon the receipt by the Manager of the written request of any Member. Such request shall state the purpose or purposes of the proposed meeting.

(c) Place and Conduct of Meetings. Meetings of the Members shall be held at such time and place, either within or without the State of Delaware, as shall be designated from time to time by the Manager and stated in the notice of the meeting or in a duly executed waiver of notice thereof. All meetings shall be conducted by such Person as the Manager may appoint pursuant to such rules for the conduct of the meeting as the Manager or such other Person deems appropriate. Such meetings may be held in person, by teleconference or by any other reasonable means, in each case at the discretion of the Manager.

(d) Notice of Meetings. Written notice of an annual meeting or special meeting stating the place, date, and hour of the meeting and in the case of a special meeting, the purpose or purposes for which the meeting is called, shall be given not less than five calendar days nor more than 60 calendar days before the date of the meeting to each Member entitled to vote at such meeting, unless waived by each such Member.

(e) Quorum. The presence of both (a) the holders of a majority of all the Common Units then issued and outstanding and entitled to vote thereat and (b) each Founding Member, whether in person or represented by a valid written proxy, shall constitute a quorum at all meetings of the Members for the transaction of business. If, however, such quorum shall not be present or represented at any meeting of the Members, the Members entitled to vote thereat, present in person or represented by proxy, shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present or represented.

(f) Voting. All matters submitted to the vote of the Members shall be decided by a Majority Member Vote. Such votes may be cast in person or by valid written proxy, but no proxy shall be voted after three years from its date, unless such proxy provides for a longer period.

(g) Action by Consent. Any consent required herein or action required to be taken at any annual or special meeting of Members, or any action which may be taken at any annual or special meeting of such Members, may be taken without a meeting, without a vote, without prior written notice and with a consent or consents in writing signed by Members who are holders of outstanding Common Units having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all Common Units entitled to vote thereon were present and voted. Prompt notice of the taking of the action without a meeting by less than unanimous written consent shall be given to those Members who are holders of Common Units and who have not consented in writing; provided that the failure to give any such notice shall not affect the validity of the action taken by such written consent.

3.3 Certain Duties and Obligations of the Members. The Company shall be a partnership only for income tax purposes and this Agreement shall not be deemed to create a partnership, joint venture, agency or other relationship among the Members creating fiduciary or quasi-fiduciary duties or similar duties and obligations or to subject the Members to joint and several or vicarious liability or to impose any duty, obligation or liability that would arise therefrom with respect to any or all of the Members or their Affiliates. Except as otherwise provided in this Agreement, no Member shall have any authority to act for, bind, commit or assume any obligation or responsibility on behalf of the Company, its properties or any other Member. No Member, in its capacity as a Member under this Agreement, shall be responsible or liable for any Indebtedness or obligation of another Member. The Company shall not be responsible or liable for any Indebtedness or obligation of any Member, incurred either before or after the execution and delivery of this Agreement by such Member, except as to those responsibilities, liabilities, Indebtedness or obligations incurred pursuant to and as limited by the terms of this Agreement, the Contribution and Unit Holders Agreement, the Contribution Agreement and the LLC Act.

3.4 Units.

(a) Recapitalization. Pursuant to the Third Amendment (i) each Class A Unit that was issued and outstanding under the First Amended Agreement, as amended by the First Amendment and the Second Amendment, was split into 44,291 Class A Units, and (ii) following the split of Class A Units described in the preceding clause (i), each issued and outstanding Class A Unit was recapitalized into one (1) Common Unit and one (1) Preferred Unit.

(b) Common Unit Purchase. In connection with the execution of this Agreement (i) NCM Inc. is making its required Capital Contribution to the Company as set forth in the Subscription Agreement, and (ii) in exchange for NCM Inc.'s Capital Contribution, the Company is issuing to NCM Inc. 38,000,000 Common Units (collectively, the "**Common Unit Purchase**").

(c) Over-Allotment Unit Purchase. Pursuant to the terms of the Unit Purchase Agreement, the Founding Members have agreed to sell to NCM Inc. a number of Common Units equal to the number of shares of NCM Inc. common stock sold to the Underwriters pursuant to the Underwriters' option to purchase an additional 4,000,0000 shares of NCM Inc. common stock under the Underwriting Agreement (the "**Over-Allotment Option**"). In connection with the Underwriters exercise of the Over-Allotment Option for 4,000,000 shares of NCM Inc.

common stock on the date of this Agreement and immediately following the Common Unit Purchase, each Founding Member hereby sells, conveys, transfers and assigns to NCM Inc. the number of Common Units, in exchange for the cash consideration, set forth opposite such Founding Member's name on Exhibit B hereto (the "**Over-Allotment Unit Purchase**"). The Members hereby acknowledge and agree that NCM Inc. shall have all of the rights of a Member (but not a Founding Member) with respect to the Common Units purchased pursuant to the Over-Allotment Unit Purchase.

(d) Common Units. The Common Units shall consist of equal whole, fractional units into which Interests in the Company shall be divided. The Common Units shall be entitled to share in distributions and allocations as provided in Sections 5.4, 6.4 and 7.3, and as otherwise provided in this Agreement. The total number of authorized Common Units that the Company is entitled to issue is 120,000,000.

(e) Preferred Units; Preferred Distribution. In connection with the execution of this Agreement and immediately following the Common Unit Purchase, the Over-Allotment Unit Purchase and the Company's payment of the Initial ESA Modification Payment, the Company shall incur $725,000,000 of term Indebtedness pursuant to the Senior Credit Facility (the "**Preferred Unit Indebtedness**") for the purpose of redeeming the Preferred Units. The total amount to be paid in redemption and complete satisfaction of all of the issued and outstanding Preferred Units shall be $769,525,602 (the "**Preferred Distribution**"), determined as follows (i) the amount of the Preferred Unit Indebtedness, less (ii) $15,250,000 (the expenses associated with the Preferred Unit Indebtedness), plus (iii) $59,775,602 (the amount by which the Capital Contribution made by NCM Inc. to the Company pursuant to the Subscription Agreement exceeds the Initial ESA Modification Payment). The 55,850,951 issued and outstanding Preferred Units shall share equally in the Preferred Distribution and each Preferred Unit shall be entitled to receive $13.7782 (the "**Preferred Unit Amount**") in redemption and complete satisfaction of all amounts to which each Preferred Unit is entitled under this Section 3.4(e). In the redemption of the Preferred Units, each Founding Member shall receive a whole dollar amount equal to the product of (x) the Preferred Unit Amount, times (y) the number of Preferred Units held by such Founding Member. The amount to be paid to each Founding Member in redemption and complete satisfaction of all of such Founding Member's Preferred Units is set forth on Exhibit A. All of the issued and outstanding Preferred Units shall automatically terminate and cease to be outstanding on payment of the Preferred Unit Amount to which each Preferred Unit is entitled under this Section 3.4(e).

(f) Adjustment of Common Units. The Common Units of the Founding Members and their Affiliates shall be adjusted from time to time as provided in the Common Unit Adjustment Agreement, which is incorporated herein by reference.

(g) Unit Splits, Ratios and Other Unit Adjustments. The Company shall undertake all actions, including, without limitation, a reclassification, distribution, division or recapitalization, with respect to the Common Units, to maintain at all times a one-to-one ratio between the number of Common Units owned by NCM Inc. and the number of outstanding shares of NCM Inc. common stock, disregarding, for purposes of maintaining the one-to-one ratio, Unvested NCM Inc. Shares, treasury stock, preferred stock or other securities of NCM Inc. that are not convertible into or exercisable or exchangeable for common stock of NCM Inc. In the event NCM Inc. issues, transfers from treasury stock or repurchases NCM Inc. common stock in a transaction not contemplated in this Agreement, the Manager shall have the authority to take all actions such that, after giving effect to all such issuances, transfers or repurchases, the number of outstanding Common Units owned by NCM Inc. will equal on a one-for-one basis the number of outstanding shares of NCM Inc. common stock. In the event NCM Inc. issues, transfers from treasury stock or repurchases NCM Inc. preferred stock in a transaction not contemplated in this Agreement, the Manager shall have the authority to take all actions such that, after giving effect to all such issuances, transfers or repurchases, NCM Inc. holds mirror equity interests in the Company which (in the good faith determination by the Manager) are in the aggregate substantially equivalent to the outstanding NCM Inc. preferred stock. The Company shall not undertake any subdivision (by any Unit split, Unit distribution, reclassification, recapitalization or similar event) or combination (by reverse Unit split, reclassification, recapitalization or similar event) of the Units that is not accompanied by an identical subdivision or combination of the NCM Inc. common stock to maintain at all times a one-to-one ratio between the number of Common Units owned by NCM Inc. and the number of outstanding shares of NCM Inc. common stock, unless such action is necessary to maintain at all times a one-to-one ratio between the number of Common Units owned by NCM Inc. and the number of outstanding shares of NCM Inc. common stock as contemplated by the first sentence of this Section 3.4(g).

(h) Certificates; Transfer. Common Units shall be evidenced by a certificate issued by the Company to the holder thereof and substantially in the form of Exhibit C attached hereto. Such certificates shall be entered in the books of the Company as they are issued, and shall be signed by a duly designated officer of the Company and may be sealed with the Company's seal or a facsimile thereof. Upon any Transfer permitted under this Agreement (i) the Transferring Member shall surrender to the Company a certificate or certificates representing at least the number of Common Units being Transferred, and (ii) the Company shall issue (x) to the transferee a certificate for the number of Common Units Transferred, and (y) to the Transferring Member a certificate representing the remaining number of Common Units equal to the difference (if any) between the number of Common Units evidenced by the certificate or certificates surrendered pursuant to clause (i) and the number of Common Units Transferred. No Transfer of Common Units shall be valid as against the Company except upon surrender to and cancellation of the appropriate certificate or certificates, accompanied by an assignment or Transfer by the Member, subject to any restrictions on Transfer contained in this Agreement. The Company may issue a new certificate for Common Units in place of any certificate or certificates previously issued by it, alleged to have been lost or destroyed, upon the making of an affidavit of that fact, and providing an indemnity in form and substance reasonably satisfactory to the Manager, by the Person claiming the certificate or certificates to be lost or destroyed.

3.5 Authorization and Issuance of Additional Units.

(a) In General. The Company shall only be permitted to issue additional Units or other Equity Interests in the Company to the Persons and on the terms and conditions provided for in Section 3.4 and this Section 3.5. The Manager may cause the Company to issue additional Common Units authorized under this Agreement at such times and upon such terms as the Manager shall determine. The Manager shall amend this Agreement as necessary in connection with the issuance of additional Common Units and admission of additional Members under this Section 3.5.

(b) Exercise of Redemption Right. In connection with the exercise of a Redeeming Member's Redemption Rights under Section 9.1(a), NCM Inc. shall contribute to the Company the consideration the Redeeming Member is entitled to receive under Section 9.1(b). NCM Inc., at its option, shall determine whether to contribute, pursuant to Section 9.1(b), the Share Settlement or the Cash Settlement. Unless the Redeeming Member has timely delivered a Retraction Notice as provided in Section 9.1(b), on the Redemption Date (to be effective immediately prior to the close of business on the Redemption Date) (i) NCM Inc. shall make its capital contribution to the Company (in the form of the Share Settlement or the Cash Settlement) required under this Section 3.5(b), and (ii) the Company shall issue to NCM Inc. a number of Common Units equal to the number of Redeemed Units surrendered by the Redeeming Member. The timely delivery of a Retraction Notice shall terminate all of the Company's and NCM Inc.'s rights and obligations under this Section 3.5(b) arising from the Redemption Notice.

(c) Equity Compensation Issued by NCM Inc.

(i) In connection with the exercise of Options, NCM Inc. shall have the right to acquire additional Common Units from the Company. NCM Inc. shall exercise its rights under this Section 3.5(c)(i) by giving written notice (the "**Equity Compensation Notice**") to the Company and all Members following exercise of the Options. The Equity Compensation Notice shall specify the net number of shares of NCM Inc. common stock issued by NCM Inc. pursuant to exercise of the Options. The Company shall issue the Common Units to which NCM Inc. is entitled under Section 3.5(c)(i) within three (3) Business Days after delivery of the Equity Compensation Notice (to be effective immediately prior to the close of business on such date). The number of additional Common Units that NCM Inc. shall be entitled to receive under this Section 3.5(c)(i) shall be equal to the net number of shares of NCM Inc. common stock issued by NCM Inc. pursuant to the exercise of the Options. The net number of shares of NCM Inc. common stock issued by NCM Inc. pursuant to exercise of the Options shall be equal to (i) the number of shares of NCM Inc. common stock with respect to which the Options were exercised, less (ii) any shares of NCM Inc. common stock transferred to or withheld by NCM Inc. (e.g., in connection with a stock swap or otherwise) in satisfaction of the exercise price or taxes payable as a result of the exercise of the Options. In consideration of the Common Units issued by the Company to NCM Inc. under this Section 3.5(c)(i), NCM Inc. shall contribute to the Company the cash consideration, if any, received by NCM Inc. in exchange for the net shares of NCM Inc. common stock issued pursuant to exercise of the Options. NCM Inc. shall contribute any cash consideration to which the Company is entitled under this Section 3.5(c)(i) on the same date (and to be effective as of the same time) that the Company issues the Common Units to NCM Inc.

(ii) In connection with the grant of NCM Inc. common stock pursuant to the Equity Incentive Plan (including, without limitation, the issuance of restricted and non-restricted NCM Inc. common stock, the payment of bonuses in NCM Inc. common stock, the issuance of NCM Inc. common stock in settlement of stock appreciation rights or otherwise), other than through the exercise of Options as contemplated in Section 3.5(c)(i), NCM Inc. shall deliver an Equity Compensation Notice to the Company and all Members following the date on which shares of such NCM Inc. common stock are vested under applicable law ("**Vested NCM Inc. Shares**"). The Equity Compensation Notice shall specify the number of Vested NCM Inc. Shares. Within three (3) Business Days after delivery of the Equity Compensation Notice (to be effective immediately prior to the close of business on such date) (i) the Company shall (x) issue to NCM Inc. a number of Common Units equal to the number of Vested NCM Inc. Shares, and (y) make a special distribution to NCM Inc. from Available Cash (to the extent such distribution is not restricted under Section 7.6(h) of the Senior Credit Facility) in respect of such Common Units in an amount equal to any dividends paid or payable by NCM Inc. in respect of such Vested NCM Inc. Shares, and (ii) NCM Inc. shall contribute to the Company any cash consideration received by NCM Inc. in respect of such Vested NCM Inc. Shares.

3.6 **Business Opportunities; Non-Competition**. Except as provided in this Agreement and as may be otherwise provided in any written agreement with the Company to which a Member or its Affiliates is a party (including Section 12.07 of the Exhibitor Services Agreements), each Member and their Affiliates may have other business interests or may engage in other business ventures of any nature or description whatsoever regardless of whether they compete with the business and purpose of the Company set forth in Section 2.6.

ARTICLE 4

MANAGEMENT AND OPERATIONS

4.1 **Manager**. The Company shall be managed by one manager (the "**Manager**") that shall be NCM Inc. NCM Inc. may not be removed as a Manager except as provided in Section 4.7. Any Manager that is properly removed pursuant to Section 4.7 shall be replaced in the manner provided in Section 4.8. Except to the extent deemed appropriate by NCM Inc. in connection with its status under the Investment Company Act of 1940, so long as NCM Inc. is the Manager, NCM Inc. shall not, without Founding Member Approval, directly or indirectly enter into or conduct any business other than (i) in connection with the ownership, acquisition or disposition of Units as a Member, (ii) the management of the business of the Company as provided herein, (iii) NCM Inc.'s operation as a public reporting company with a class of securities registered under the Exchange Act, and (iv) such other activities that are incidental to the foregoing. The Founding Members hereby terminate the Board established to conduct the business of the Company pursuant to the First Amended Agreement.

4.2 **Management Authority**. Except as provided in Section 4.3, the Manager shall have authority on behalf of the Company to make all decisions with respect to the Company's business without the approval of the Members. In connection with the implementation, consummation or administration of any matter within the scope of the Manager's authority, the Manager is authorized, without the approval of the Members, to execute and deliver on behalf of the Company contracts, instruments, conveyances, checks, drafts and other documents of any kind or character to the extent the Manager deems it necessary or desirable. The Manager may delegate to officers, employees, agents or representatives of the Company or the Manager any or all of the foregoing powers by written authorization identifying specifically or generally the powers delegated or acts authorized.

4.3 Founding Member Approval Rights.

(a) The Manager shall not take, or cause the Company to take, action with respect to the matters provided for in Section 4.3(b) without Founding Member Approval ("**Founding Member Approval Rights**") if (i) an individual designated by a Founding Member pursuant to the Director Designation Agreement is not nominated or appointed to the board of directors of NCM Inc. under circumstances constituting a breach of the Director Designation Agreement, or (ii) such designee (or if the designee is not elected in circumstances under which the Founding Member can designate a successor, such successor designee) is not elected to the board of directors of NCM Inc. after being designated in accordance with the Director Designation Agreement. Upon the occurrence of a condition giving rise to Founding Member Approval Rights, the Founding Member Approval Rights shall continue until the earlier of (x) the date on which the conditions that gave rise to Founding Member Approval Rights no longer exist, or (y) the delivery of written notice waiving the Founding Member Approval Rights by the Founding Member(s) whose designees or successor designees were not nominated, appointed or elected to the board of directors of NCM Inc. A Founding Member that designated an individual who is either not nominated, appointed or elected to the board of directors of NCM Inc. under circumstances giving rise to the Founding Member Approval Rights under this Section 4.3 may waive the Founding Member Approval Rights by delivering written notice to the Company and the other Founding Members. Any waiver by a Founding Member of its Founding Member Approval Rights shall only serve as a waiver with respect to the specific conditions that gave rise to the Founding Member Approval Rights being waived and shall not constitute a waiver with respect to any other rights under this Agreement and any Founding Member Approval Rights that the Founding Member may have in the future as a result of the existence of a condition giving rise to Founding Member Approval Rights subsequent to such waiver.

(b) The matters provided for in this Section 4.3(b) are not intended to modify the Manager's responsibilities for managing the day-to-day business and affairs of the Company. Subject to the foregoing and notwithstanding anything to the contrary in this Agreement, the Company shall not take, cause to be taken, or agree to take or authorize any of the following actions without Founding Member Approval during the periods of time provided for in Section 4.3(a):

(i) the approval of any Budget or any amendment or modification of the Budget;

(ii) the incurrence of any Indebtedness or entering into or consummating any other financing transaction, in either case for an amount that is not provided for in the Budget;

(iii) the entering into or consummation of any agreements or arrangements involving annual payments by the Company (including the fair market value of any barter) in excess of $5 million (as adjusted by the CPI Adjustment), except as otherwise provided for in the Budget, or any material modification of any such agreements or arrangements;

(iv) the entering into or consummation of any agreements or arrangements involving annual receipts (including the fair market value of any barter) in excess of $20 million (as adjusted by the CPI Adjustment), or any material modification of any such agreements or arrangements;

(v) except as contemplated herein, the declaration, setting aside or payment of any redemption of, dividends on, or the making of any other distributions in respect of, any of its Units or other Equity Interests in the Company, as the case may be, payable in cash, stock, property or otherwise, or any reorganization or recapitalization or split, combination or reclassification or similar transaction of any of its Units, limited liability company interests or capital stock, as the case may be;

(vi) the amendment of any provision of this Agreement to authorize, and the issuance of, any additional Units or classes of Units or other Equity Interests and the designations, preferences and relative, participating or other rights, powers duties thereof;

(vii) the hiring or termination of employment of the chief executive officer, chief financial officer, chief technology officer or chief sales and marking officer of the Company, or the entering into, amendment or termination of any employment, severance, change of control or other contract with any employee that has a written employment agreement with the Company;

(viii) any change in the Joint Venture Purposes, or the provision by the Company of any services beyond the scope of the Services or Services outside of the United States or Canada;

(ix) the entering into of any agreement with respect to or the taking of any material steps to facilitate a transaction that constitutes a Change of Control of the Company or a proposal for such a transaction;

(x) the leasing (as lessor), licensing (as licensor) or other Transfer of assets (including securities) (x) having a fair market value or for consideration exceeding $10 million (as adjusted by the CPI Adjustment), taken as a whole, or (y) to which the revenues or the profits attributable exceed $10 million (as adjusted by the CPI Adjustment), taken as a whole, in any one transaction or series of related transactions, in each case, determined using the most recent quarterly consolidated financial statement of the Company;

(xi) the entering into of any agreement with respect to or consummation of any acquisition of any business or assets that has or have a fair market value in excess of $10 million (as adjusted by the CPI Adjustment) taken as a whole, in any one transaction or series of related transactions, whether by purchase and sale, merger, consolidation, restructuring, recapitalization or otherwise;

(xii) the settlement of claims or suits in which the Company is a party for an amount that exceeds the relevant provision(s) in the Budget by more than $1 million (as adjusted by the CPI Adjustment) or where equitable or injunctive relief is included as part of such settlement;

(xiii) the entering into, modification or termination of any material contract or transaction or series of related transactions (including by way of barter) between (x) the Company or any of its Subsidiaries and (y)(1) any Member or any Affiliate of any Member, or (2) any Person in which any Founding Member has taken, or is negotiating to take, a material financial interest, in each case, other than relating to the purchase or sale of products or services in the ordinary course of business of the Company;

(xiv) the entering into of any agreement for the Company to provide to any new Member or Affiliate of any new Member any services similar to those set forth in the Exhibitor Services Agreements, or the admission to the Company of any new Member;

(xv) the entering into, or the modification or termination of, any agreement for the Company to provide any services to any Person (other than a Member or Affiliate of a Member), that requires capital expenditures or guaranteed payments in excess of $1 million (as adjusted by the CPI Adjustment) annually;

(xvi) the dissolution of the Company; the adoption of a plan of liquidation of the Company; any action by the Company to commence any suit, case, proceeding or other action (x) under any existing or future law of any jurisdiction relating to bankruptcy, insolvency, reorganization or relief of debtors seeking to have an order for relief entered with respect to the Company, or seeking to adjudicate the Company as bankrupt or insolvent, or seeking reorganization, arrangement, adjustment, winding-up, liquidation, dissolution, composition or other relief with respect to the Company, or (y) seeking appointment of a receiver, trustee, custodian or other similar official for the Company, or for all or any material portion of the assets of the Company, or making a general assignment for the benefit of the creditors of the Company;

(xvii) approval of any tax matter pursuant to Section 6.2;

(xviii) valuation determinations pursuant to Section 5.5;

(xix) any amendment or change to any provision in this Section 4.3 or Article 8; and

(xx) any expenditure by the Company to replace, upgrade or modify any equipment or software owned by any of the Founding Members or their Affiliates.

(c) A Founding Member shall permanently cease to be entitled to participate in giving Founding Member Approval if at any time the Founding Member owns less than five percent of the then issued and outstanding Common Units, including Common Units acquired from another Founding Member or an Affiliate of another Founding Member (which, for purposes of this Section 4.3(c), shall be calculated to include (i) all shares of NCM Inc. common stock beneficially owned by such Founding Member as of the date of determination as a result of the exercise of the Founding Member’s Redemption Right, (ii) any shares of NCM Inc. common stock issued in connection with any dividend or distribution on NCM Inc. common stock so received as a result of the exercise of the Founding Member’s Redemption Right, and (iii) any shares of NCM Inc. common stock acquired from another Founding Member provided that such other Founding Member acquired such shares of NCM Inc. common stock in a transaction described in clause (i) or (ii) above, but excluding (x) any shares of NCM Inc. common stock otherwise acquired by the Founding Members, and (y) any Common Units issued to NCM Inc. by the Company pursuant to Section 3.5(b) in connection with the exercise of a Founding Member's Redemption Right (unless the Founding Member has disposed of any of the shares of NCM Inc. common stock received in connection with the exercise of the Founding Member's Redemption Right (other than to another Founding Member in a transaction described in clause (iii) above), in which case a number of Common Units issued to NCM Inc. by the Company pursuant to Section 3.5(b) in connection with such exercise of the Founding Member's Redemption Right equal to the number of shares of NCM Inc. common stock disposed of by such Founding Member shall be included in determining such Founding Member's ownership interest)).

(d) Except for the matters provided for in Section 4.3(b), the Founding Member Approval rights shall not affect the Manager's right to conduct the Company's business under this Agreement.

4.4 **Duties**. The Manager shall carry out its duties in good faith, in a manner that it believes to be in the best interests of the Company. The Manager shall devote such time to the business and affairs of the Company as it may determine, in its reasonable discretion, is necessary for the efficient carrying on of the Company's business.

4.5 **Reliance by Third Parties**. No third party dealing with the Company shall be required to ascertain whether the Manager is acting in accordance with the provisions of this Agreement. All third parties may rely on a document executed by the Manager as binding the Company. The foregoing provisions shall not apply to third parties who are Affiliates of a Member or a Manager. If the Manager acts without authority it shall be liable to the Members for any damages arising out of its unauthorized actions.

4.6 **Resignation**. The Manager may resign at any time by giving written notice to the Members. Unless otherwise specified in the notice, the resignation shall take effect upon receipt thereof by the Members, and the acceptance of the resignation shall not be necessary to make it effective.

4.7 **Removal**. The Manager may only be removed by NCM Inc.

4.8 **Vacancies**. Vacancies in the position of Manager occurring for any reason shall be filled by NCM Inc.

4.9 **Information Relating to the Company**. Upon request, the Manager shall supply to a Member (i) any information required to be available to the Members under the LLC Act, and (ii) any other information requested by such Member regarding the Company or its activities, provided that obtaining the information described in this clause (ii) is not unduly burdensome to the Manager. During ordinary business hours, each Member and its authorized representative shall have access to all books, records and materials in the Company's offices regarding the Company or its activities.

4.10 **Insurance.** The Company shall maintain or cause to be maintained in force at all times, for the protection of the Company and the Members to the extent of their insurable interests, such insurance as the Manager believes is warranted for the operations being conducted.

4.11 **Transactions Between Company and Manager**. The Manager may cause the Company to contract and deal with the Manager, or any Affiliate of the Manager, provided such contracts and dealings are on terms comparable to and competitive with those available to the Company from others dealing at arm's length or are approved by a Majority Member Vote. The Members hereby approve the Common Unit Adjustment Agreement, the Exhibitor Services Agreements, the Loews Agreement, the Management Services Agreement, the Software License Agreement, the Senior Credit Facility, the Subscription Agreement and the Tax Receivable Agreement.

4.12 **Officers**.

(a) The Manager may, from time to time, designate one or more Persons to fill one or more officer positions of the Company. Any officers so designated shall have such titles and authority and perform such duties as the Manager may, from time to time, delegate to them. If the title given to a particular officer is one commonly used for officers of a business corporation, the assignment of such title shall constitute the delegation to such officer of the authority and duties that are normally associated with that office, subject to any specific delegation of authority and duties made to such officer, or restrictions placed thereon, by the Manager. Each officer shall hold office until his or her successor is duly designated, until his or her death or until he or she resigns or is removed in the manner hereinafter provided. Any number of offices may be held by the same Person. The salaries or other compensation, if any, of the officers of the Company shall be fixed from time to time by the Manager.

(b) Any officer of the Company may resign at any time by giving written notice thereof to the Manager. Any officer may be removed, either with or without cause, by the Manager whenever in its judgment the best interests of the Company will be served thereby; provided, however, that such removal shall be without prejudice to the contract rights, if any, of the Person so removed. Designation of an officer shall not, by itself, create contract rights.

4.13 **Management Fee; Reimbursement of Expenses**. Except as provided in the Management Services Agreement, the Manager shall not be entitled to compensation for performance of its duties hereunder unless such compensation has been approved by a Majority Member Vote. The Manager shall be reimbursed by the Company for any reasonable out-of-pocket expenses incurred on behalf of the Company.

4.14 **Limitation of Liability; Exculpation**.

(a) No Manager, Member or officer of the Company, nor any of their respective Subsidiaries or Affiliates (including any stockholder of REG, Marquee Holdings, Cinemark or NCM Inc. that would be deemed an Affiliate but for the exception set forth in subsections (iii), (iv), (v) or (vi) of the definition of Affiliate herein, or any of such stockholder's Affiliates) nor any of their respective direct or indirect officers, directors, trustees, members, partners, equity holders, employees or agents, nor any of their heirs, executors, successors and assigns (individually, an "**Indemnitee**"), shall be liable to the Company or any Member for any act or omission by such Indemnitee in connection with the conduct of affairs of the Company or otherwise incurred in connection with the Company or this Agreement or the matters contemplated herein, in each case unless such act or omission was the result of gross negligence or willful misconduct or constitutes a breach of, or a failure to comply with, any agreement between (x) such Indemnitee and (y) the Company or its Subsidiaries and Affiliates.

(b) Notwithstanding any other provision of this Agreement or otherwise applicable provision of law or equity, whenever in this Agreement a Manager, Member or officer of the Company is permitted or required to make a decision (i) in its "sole discretion" or "discretion," with "complete discretion" or under a grant of similar authority or latitude, such Manager, Member or officer shall be entitled to consider only such interests and factors as it desires, including its own interests, and shall, to the fullest extent permitted by applicable law, have no duty or obligation to give any consideration to any interest of or factors affecting the Company or the Members, or (ii) in its "good faith" or under another expressed standard, such Manager, Member or officer shall act under such express standard and shall not be subject to any other or different standards.

(c) Any Manager, Member, Liquidator or officer of the Company may consult with legal counsel and accountants selected by it at its expense or with legal counsel and accountants for the Company at the Company's expense. Each Manager, Member, Liquidator and officer of the Company shall be fully protected in relying in good faith upon the records of the Company and upon information, opinions, reports, or statements presented by another Manager, Member, Liquidator or officer, or employee of the Company, or committees of the Company, Manager or Members, or by any other Person (including, without limitation, legal counsel and public accountants) as to matters that the Manager, Member, Liquidator or officer reasonably believes are within such other Person's professional or expert competence, including information, opinions, reports or statements as to the value and amount of the assets, liabilities, Net Income or Net Losses of the Company, or the value and amount of assets or reserves or contracts, agreements or other undertakings that would be sufficient to pay claims and obligations of the Company or to make reasonable provision to pay such claims and obligations, or any other facts pertinent to the existence and amount of assets from which distributions to Members or creditors might properly be paid.

4.15 Indemnification.

(a) Indemnification Rights. The Company shall indemnify and hold harmless each Indemnitee from and against any and all losses, claims, demands, costs, damages, liabilities, expenses of any nature (including attorneys' fees and disbursements), judgments, fines, settlements (whether on an individual or joint and several basis) and other amounts arising from any and all claims, demands, actions, suits or proceedings, whether civil, criminal, administrative, arbitral or investigative, in which the Indemnitee was involved or may be involved, or threatened to be involved, as a party or otherwise, arising out of or in connection with the business of the Company, this Agreement, any Person's status as a Manager, Member or officer of the Company or any action taken by any Manager, Member or officer of the Company or under this Agreement or otherwise on behalf of the Company (collectively, "**Liabilities**"), regardless of whether the Indemnitee continues to be a Manager, Member or officer of the Company, or an Affiliate, officer, director, employee, trustee, member or partner or agent of a

Manager, Member or officer of the Company, to the fullest extent permitted by the LLC Act and all other applicable laws;provided that an Indemnitee shall be entitled to indemnification hereunder only to the extent that such Indemnitee's conduct did not result from gross negligence or willful misconduct. The termination of any proceeding by settlement, judgment, order, conviction, or upon a plea of nolo contendere or its equivalent shall not, of itself, create a presumption that such Indemnitee's conduct resulted from gross negligence or willful misconduct.

(b) Expenses. Expenses incurred by an Indemnitee in defending against any Liability or potential Liability subject to this Section 4.15 shall, from time to time, be advanced by the Company prior to the final disposition of such Liability upon receipt by the Company of an undertaking reasonably acceptable in form and substance to the Manager by or on behalf of the Indemnitee to repay such amount if it shall be determined that such Person is not entitled to be indemnified as authorized in this Section 4.15.

(c) Indemnification Rights Non-Exclusive; Rights of Indemnified Parties. The indemnification provided by this Section 4.15 shall be in addition to any other rights to which those indemnified may be entitled under any agreement, by a Majority Member Vote, as a matter of law or equity, or otherwise. Such indemnification shall continue with respect to an Indemnitee even though it has ceased to serve in any particular capacity and shall inure to the benefit of its heirs, executors, successors, assigns and other legal representatives.

(d) Assets of the Company. Any indemnification under this Section 4.15 shall be satisfied solely out of the assets of the Company, and no Member shall be subject to personal liability or required to fund or cause to be funded any obligation by reason of these indemnification provisions.

(e) Other Liability Insurance. The Company may purchase and maintain insurance, at the Company's expense, on behalf of such Persons as the Manager shall reasonably determine, against any liability that may be asserted against, or any expense that may be incurred by, such Person in connection with the activities of the Company and its Subsidiaries or Affiliates regardless of whether the Company would have the obligation to indemnify such Person against such liability under the provisions of this Agreement.

4.16 Title to Assets. Unless specifically licensed or leased to the Company, title to the assets of the Company, whether real, personal or mixed and whether tangible or intangible, shall be deemed to be owned by the Company as an entity, and no Members, individually or collectively, shall have any ownership interest in such assets (other than licensed or leased assets) or any portion thereof.

ARTICLE 5

CAPITAL CONTRIBUTIONS; DISTRIBUTIONS

5.1 Capital Contributions.

(a) The AMC Founding Member, as the successor to NCN, and the Regal Founding Member have made their required Capital Contributions to the Company as set forth in the Contribution and Unit Holders Agreement, Cinemark Media has made its required Capital Contribution to the Company as set forth in the Contribution Agreement and NCM Inc. has made its required Capital Contribution to the Company as set forth in the Subscription Agreement. Except as provided in Sections 3.5(b), 3.5(c), 5.1(b) and otherwise in this Agreement, no Member shall be required to make any other capital contribution to, or provide credit support for, the Company.

(b) In addition to the Capital Contributions that NCM Inc. has made as provided in Section 5.1(a), NCM Inc. shall make the following additional Capital Contributions to the Company:

(i) On or before the due date of the Company's obligation to make a payment under Section 3.02(a) of the Tax Receivable Agreement, NCM Inc. shall contribute to the Company an amount equal to any ESA-Related Tax Benefit Payment; and

(ii) On or before the due date of the Company's obligation to make a payment under Section 3.02(b) of the Tax Receivable Agreement, NCM Inc. shall contribute to the Company an amount equal to any increase in any ESA-Related Tax Benefit Payment.

(c) Except as provided in Article 9 of this Agreement, no Member shall be entitled to withdraw, or demand the return of, any part its Capital Contributions or Capital Account. No Member shall be entitled to interest on or with respect to any Capital Contribution or Capital Account.

(d) Except as otherwise provided in this Agreement, no Person shall have any preemptive, preferential or similar right to subscribe for or to acquire any Units.

5.2 Loans from Members. Loans by Members to the Company shall not be considered contributions to the capital of the Company hereunder. If any Member shall advance funds to the Company in excess of the amounts required to be contributed to the capital of the Company, the making of such advances shall not result in any increase in the amount of the Capital Account of such Member and shall be payable or collectible in accordance with the terms and conditions upon which advances are made; provided that the terms of any such loan shall not be less favorable to the Company, taken as a whole, than would be available to the Company from unrelated lenders and such loan shall be approved by the Manager (or a Majority Member Vote in the event the Manager is making the loan to the Company).

5.3 Loans from Third Parties. The Company may incur Indebtedness, or enter into other similar credit, guarantee, financing or refinancing arrangements for any purpose with any Person upon such terms as the Manager determines appropriate; provided that the Company shall not incur any Indebtedness that is recourse to any Member, except to the extent otherwise agreed to in writing by the applicable Member in its sole discretion.

5.4 Distributions. Except as provided in Section 3.5(c)(ii), all distributions made by the Company, if any, shall be made in accordance with this Section 5.4.

(a) Nonliquidating Distributions. The Manager will cause the Company to make distributions of the Distribution Amount in the following manner:

(i) Within 60 calendar days following the last day of each Fiscal Period (or the next Business Day if the 60th calendar day is not a Business Day), the Company shall make a distribution in an amount equal to the Distribution Amount for such Fiscal Period.

(ii) Except as provided in Section 5.4(b), all distributions shall be made among the Members pro rata in accordance with their Percentage Interests provided that if (i) the Company is in default under any Funded Indebtedness, (ii) the distribution would cause the Company to default under any Funded Indebtedness, or (iii) restrictions imposed on the Company's funds pursuant to any Funded Indebtedness, cause (x) the product of the Distribution Amount times NCM Inc.'s Percentage interest, to be less than the sum of (y) the product of the Tax Distribution Amount times NCM Inc.'s Percentage Interest, plus the Tax Receivable Distribution Amount, then the Company shall distribute the Tax Distribution Amount among the Members pro rata in accordance with their Percentage Interests and distribute the Tax Receivable Distribution Amount to NCM Inc.

(iii) The Company shall determine Available Cash (i) for each Fiscal Period, and (ii) for each Fiscal Year (the '**Distribution Year**") in connection with the preparation of the audited report delivered to the Members for the Distribution Year, as provided in Section 6.9(c). To the extent Available Cash for the Distribution Year is greater than the total Distribution Amount distributed to the Members under Section 5.4(a)(i) with respect to the four Fiscal Periods in such Distribution Year (the "**Distribution Increase**"), the Distribution Increase will be added to Available Cash for the second Fiscal Period in the Fiscal Year following the Distribution Year. To the extent Available Cash for the Distribution Year is less than the total Distribution Amount distributed to the Members under Section 5.4(a)(i) with respect to the four Fiscal Periods in such Distribution Year (the "**Distribution Decrease**"), the Distribution Decrease will be subtracted from Available Cash for the second Fiscal Period in the Fiscal Year following the Distribution Year. Any Distribution Increase or Distribution Decrease provided for in this Section 5.4(a)(iii) shall be taken into account in the distributions made to the Members under Section 5.4(a)(i) following the last day of the second Fiscal Period in the Fiscal Year following the Distribution Year.

(iv) Within three (3) Business days of receiving or being deemed to receive any ESA-Related Payment from an ESA Party pursuant to Sections 3.02 or 5.03 of the Tax Receivable Agreement, the Company shall distribute such ESA-Related Payment to NCM Inc.

(b) Liquidating Distributions. All distributions made in connection with the sale, exchange or other disposition of all or substantially all of the Company's assets, or with respect to the winding up and liquidation of the Company, shall be made among the Members pro rata in accordance with their Percentage Interests.

(c) Sole Discretion of the Manager. Except as specified in Sections 3.4(e), 3.5(c)(ii), 4.3, 5.4(a), 5.4(b), 7.3 or 9.1(a), (i) the Company shall have no obligation to distribute any cash or other property of the Company to the Members, (ii) the Manager shall have sole discretion in determining whether to distribute any cash or other property of the Company, when available, and in determining the timing, kind and amount of any and all distributions, and (iii) no Member is entitled to receive any distribution unless and until declared by the Manager.

(d) Distributions in Kind. No Member has any right to demand or receive property other than cash. However, the Manager may, in its sole discretion, elect to make distributions, entirely or in part, in property of the Company other than cash. Property distributed in kind shall be deemed to have been sold for their valuation determined in accordance with Section 5.5.

(e) Limitations on Distributions. Notwithstanding anything in this Agreement to the contrary, no distribution shall be made in violation of the LLC Act.

(f) Exculpation. The Members hereby consent and agree that, except as expressly provided herein or required by applicable law and except for distributions not made in compliance with this Agreement, no Member shall have an obligation to return cash or other property paid or distributed to such Member by the Company, whether such obligation would have arisen under § 18-502(b) of the LLC Act or otherwise.

5.5 Valuation. All valuation determinations to be made under this Agreement shall be made pursuant to the terms of this Section, which determinations shall be conclusive and binding on the Company, all Members, former Members, their successors, assigns, legal representatives and any other Person, except for computational errors or fraud, and to the fullest extent permitted by law, no such Person shall have the right to an accounting or an appraisal of the assets of the Company or any successor thereto except for computational errors or fraud. Valuations shall be determined by a reasonable method of valuation determined by the Manager, which may include an independent appraisal, a reasonable estimate by the Manager or some other reasonable method of valuation. Distributions of property in kind shall be valued at fair market value; provided that any valuation under this Section shall be determined by an independent appraiser selected by the Manager if so requested by any Founding Member.

ARTICLE 6

BOOKS AND RECORDS; TAX; CAPITAL ACCOUNTS; ALLOCATIONS

6.1 General Accounting Matters.

(a) Allocations of Net Income or Net Losses pursuant to Section 6.4 shall be made at the end of each Fiscal Period, at such times as the Carrying Value of Company assets is adjusted pursuant to the definition thereof and at such other times as required by this Agreement.

(b) Each Member shall be supplied with the information of the Company necessary to enable such Member to prepare in a timely manner (and in any event within 120 days after the end of the Company Fiscal Year) its federal, state and local income tax returns and such other financial or other statements and reports that the Manager deems appropriate.

(c) The Manager shall keep or cause to be kept books and records pertaining to the Company’s business showing all of its assets and liabilities, receipts and disbursements, Net Income and Net Losses, Members’ Capital Accounts and all transactions entered into by the Company. Such books and records of the Company shall be kept at the office of the Company and the Members and their representatives shall at all reasonable times have free access thereto for the purpose of inspecting or copying the same.

(d) The Company's books of account shall be kept on an accrual basis or as otherwise provided by the Manager and otherwise in accordance with GAAP, except that for income tax purposes such books shall be kept in accordance with applicable tax accounting principles.

(e) The Company shall, and shall cause each of its Subsidiaries to, (i) maintain accurate books and records reflecting its assets and liabilities and maintain proper and adequate "internal control over financial reporting" (as such term is defined in Rules 13a-15(f) and 15d-15(f) promulgated under the Exchange Act, and as such rules may be amended and supplemented from time to time); and (ii) deliver to any Member, immediately upon request, certifications and statements with respect to the Company and its Subsidiaries satisfying the requirements of Rule 13a-l4(a) or 15d-14(a) under the Exchange Act, and 18 U.S.C. § 1350 (Section 906 of the Sarbanes-Oxley Act of 2002).

(f) Subject to the confidentiality provisions of this Agreement, the Company will permit representatives of a Member and its Affiliates, at their expense, to obtain all books and accounts, documents and other information (other than documents and information relating to pricing or other proprietary information of any Member or its Affiliates collected pursuant to any Exhibitor Services Agreement) in the possession of the Company and its Subsidiaries, if any, as may reasonably be requested in order to enable such Member to monitor its investment in the Company and to exercise its rights under this Agreement and, to the extent applicable, to provide such other access and information as may be reasonably required to enable such Member to account for the investment in the Company and otherwise comply with the requirements of applicable laws, generally accepted accounting principles and requirements of any Governmental Authority.

6.2 **Certain Tax Matters**. The Company shall make the TEFRA Election for all taxable years of the Company. The "tax matters partner" for purposes of Section 6231(a)(7) of the Code shall be NCM Inc. (the "**Tax Matters Member**"). The Tax Matters Member shall have all the rights, duties, powers and obligations provided for in Sections 6221 through 6232 of the Code with respect to the Company. The Tax Matters Member shall inform each other Member of all significant matters that may come to its attention in its capacity as such by giving notice thereof within ten days after becoming aware thereof and, within such time, shall forward to each other Member copies of all significant written communications it may receive in such capacity. This provision is not intended to authorize the Tax Matters Member to take any action left to the determination of an individual Member under Sections 6222 through 6231 of the Code.

6.3 **Capital Accounts**.

(a) The Company shall maintain for each Member on the books of the Company a capital account (a '**Capital Account**"). Each Member's Capital Account shall be maintained in accordance with the provisions of Treasury Regulations Section 1.704-1(b)(2)(iv) and the provisions of this Agreement.

(b) The Capital Account of a Member shall be credited with the amount of all Capital Contributions by such Member to the Company. The Capital Account of a Member shall be increased by the amount of any Net Income (or items of gross income) allocated to such Member pursuant to this Article 6, and decreased by (i) the amount of any Net Losses (or items of loss or deduction) allocated to such Member pursuant to this Article 6 and (ii) the amount of any cash distributed to such Member and (iii) the fair market value of any asset distributed in kind to such Member (net of all liabilities secured by such asset that such Member is considered to assume or take subject to under Section 752 of the Code). The Capital Account of the Member also shall be adjusted appropriately to reflect any other adjustment required pursuant to Treasury Regulations Section 1.704-1 or 1.704-2.

(c) In the event that any Interest in the Company is Transferred, the transferee of such Interest shall succeed to the portion of the transferor's Capital Account attributable to such Interest.

(d) For purposes of this Article 6, the Manager may apply any reasonable convention in determining the date during the same month on which any Member is admitted to the Company.

6.4 Allocations.

(a) General. Except as provided in Section 6.4(b) and as otherwise provided in this Agreement, Net Income and Net Losses, and, to the extent necessary, individual items of Company income, gain, loss and deduction, shall be allocated to the Members in such amounts, to the maximum extent possible, to make the Adjusted Capital Account Balances of the Members (after the application of this Section 6.4(a)) to be in proportion to the Members' Percentage Interests.

(b) Special Allocations.

(i) Qualified Income Offset. If any Member receives an unexpected adjustment, allocation, or distribution described in Section l.704-l(b)(2)(ii)(d)(4-6) of the Treasury Regulations in any Fiscal Year or other period which would cause such Member to have a deficit Adjusted Capital Account Balance as of the end of such Fiscal Year or other period, items of Company income and gain (consisting of a pro rata portion of each item of Company income, including gross income and gain) shall be specifically allocated to such Member in an amount and manner sufficient to eliminate, to the extent required by the Treasury Regulations, the deficit in such Member's Adjusted Capital Account Balance as quickly as possible. This Section 6.4(b)(i) is intended to comply with the qualified income offset provision in Section l.704-l(b)(2)(ii)(d) of the Treasury Regulations and shall be interpreted consistently therewith.

(ii) Gross Income Allocation. If any Member would otherwise have a deficit Adjusted Capital Account Balance as of the last day of any Fiscal Year or other period, individual items of income and gain of the Company shall be specifically allocated to such Member (in the manner specified in Section 6.4(b)(i)) so as to eliminate such deficit as quickly as possible.

(iii) Partnership Minimum Gain Chargeback. If there is a net decrease in Partnership Minimum Gain during a Fiscal Year or other period, each Member shall be allocated items of Company gross income and gain for such Fiscal Year or other period (and, if necessary, subsequent Fiscal Years or periods) in proportion to, and to the extent of, such Member's share of such net decrease, except to the extent such allocation would not be required by Section 1.704-2(f) of the Treasury Regulations. The amounts referred to in this Section 6.4(b)(iii), and the items to be so allocated shall be determined in accordance with Section 1.704-2 of the Treasury Regulations. This Section 6.4(b)(iii) is intended to constitute a "minimum gain chargeback" provision as described in Section 1.704-2(f) or 1.704-2(j)(2) of the Treasury Regulations and shall be interpreted consistently therewith.

(iv) Partner Nonrecourse Debt Minimum Gain Chargeback. If there is a net decrease in Partner Nonrecourse Debt Minimum Gain during a Fiscal Year or other period, then each Member shall be allocated items of Company gross income or gain equal to such Member's share of such net decrease, except to the extent such allocation would not be required under Section l.704-2(i)(4) or 1.704-2(j)(2) of the Treasury Regulations. The amounts referred to in this Section 6.4(b)(iv) and the items to be so allocated shall be determined in accordance with Section 1.704-2 of the Treasury Regulations. This Section 6.4(b)(iv) is intended to comply with the minimum gain chargeback requirement contained in Section 1.704-2(i)(4) of the Treasury Regulations and shall be interpreted consistently therewith.

(v) Limitations on Net Loss Allocations. With respect to any Member, notwithstanding the provisions of Section 6.4(a), the amount of Net Losses for any Fiscal Year or other period that would otherwise be allocated to a Member under Section 6.4(a) shall not cause or increase a deficit Adjusted Capital Account Balance. Any Net Losses in excess of the limitation set forth in this Section 6.4(b)(v) shall be allocated among the Members, pro rata, to the extent each, respectively, is liable or exposed with respect to any debt or other obligations of the Company.

(vi) Partner Nonrecourse Deductions. Partner nonrecourse deductions (as described in Section 1.704-2(i) of the Treasury Regulations) for any Fiscal Year or other period shall be specifically allocated to the Members who bear the economic risk of loss with respect to Partner Nonrecourse Debt to which such partner nonrecourse deductions are attributable in accordance with Section 1.704-2(i)(1) of the Treasury Regulations.

(vii) Nonrecourse Deductions. Nonrecourse deductions (as described in Section 1.704-2(b) of the Treasury Regulations) for any Fiscal Year or other period shall be allocated to the Founding Members in accordance with their relative Percentage Interests.

(viii) Excess Nonrecourse Liabilities. If the built-in gain in Company assets subject to Nonrecourse Debts exceeds the gain described in Section 1.752-3(a)(2) of the Treasury Regulations, the Excess Nonrecourse Liabilities shall be allocated (i) first, among the Founding Members up to the amount of built-in gain that is allocable to the Founding Members on Section 704(c) Property, (ii) second, among the Members other than the Founding Members up to the amount of built-in gain that is allocable to such other Members on Section 704(c) Property, and (iii) last, any remaining Excess Nonrecourse Liabilities shall be allocated among the Members in accordance with their relative Percentage Interests.

(ix) Ordering Rules. Anything contained in this Agreement to the contrary notwithstanding, allocations for any Fiscal Period or other period of nonrecourse deductions (as described in Section 1.704-2(b) of the Treasury Regulations) or partner nonrecourse deductions (as described in Section 1.704-2(i) of the Treasury Regulations), or of items required to be allocated pursuant to the minimum gain chargeback requirements contained in Sections 6.4(b)(iii) and 6.4(b)(iv), shall be made before any other allocations hereunder.

(x) Special Allocation. If, for federal income tax purposes, the Company is deemed to have made a deductible payment to a Member that is not actually paid, then notwithstanding Section 6.4(a), the deduction attributable to such payment shall be specially allocated to such Member.

(c) Curative Provisions. The allocations set forth in Section 6.4(b)(i)-(viii) (the '**Regulatory Allocations**") are intended to comply with certain requirements of Section 1.704-1(b) and 1.704-2 of the Treasury Regulations. The Regulatory Allocations may not be consistent with the manner in which the Members intend to allocate Net Income and Net Losses or make Company contributions. Accordingly, notwithstanding the other provisions of this Agreement, but subject to the Regulatory Allocations, Members shall reallocate items of income, gain, deductions and loss among the Members so as to eliminate the effect of the Regulatory Allocations and thereby cause the respective Capital Accounts of the Members to be in the amounts (or as close thereto as possible) they would have been if Net Income and Net Losses (and such other items of income, gain, deduction and loss) had been allocated without reference to the Regulatory Allocations. In general, the Members anticipate that this will be accomplished by specially allocating other Net Income and Net Losses (and such other items of income, gain, deduction and loss) among the Members so that the net amount of the Regulatory Allocations and such special allocations to each such Member is zero. In addition, if in any Fiscal Year or other period there is a decrease in Partnership Minimum Gain, or in Partner Nonrecourse Debt Minimum Gain, and application of the minimum gain chargeback requirements set forth in this Section 6.4 would cause a distortion in the economic arrangement among the Members, the Members may, if they do not expect that the Company will have sufficient other income to correct such distortion, request the Internal Revenue Service to waive either or both of such minimum gain chargeback requirements. If such request is granted, this Agreement shall be applied in such instance as if it did not contain such minimum gain chargeback requirements.

6.5 Allocations of Net Income and Net Losses for Federal Income Tax Purposes The Company's ordinary income and losses and capital gains and losses as determined for federal income tax purposes (and each item of income, gain, loss or deduction entering into the computation thereof) shall be allocated to the Members in the same proportions as the corresponding "book" items are allocated pursuant to Section 6.4 of this Agreement. Notwithstanding the foregoing sentence, federal income tax items relating to any Section 704(c) Property shall be allocated among the Members in accordance with Section 704(c) of the Code and Treasury Regulations Section 1.704-1(b)(2)(iv)(g) to take into account the difference between the fair market value and the tax basis of such Section 704(c) Property using any method approved by the Manager and prescribed under Treasury Regulations corresponding to Section 704(c) of the Code. Items described in this Section 6.5 shall neither be credited nor charged to the Members' Capital Accounts.

6.6 Elections. Except as otherwise expressly provided herein, all elections required or permitted to be made by the Company under the Code or other applicable tax law, and all decisions with respect to the calculation of its taxable income or tax loss under the Code or other applicable tax law, shall be made in such manner as may be reasonably determined by the Manager; provided that the Company shall make (i) the election to amortize organizational expenses pursuant to Section 709 of the Code and the regulations promulgated thereunder, and (ii) the TEFRA Election as provided in Section 6.2.

6.7 Tax Year. The taxable year of the Company shall be the same as its Fiscal Year.

6.8 Withholding Requirements. Notwithstanding any provision herein to the contrary, the Manager is authorized to take any and all actions that it determines to be necessary or appropriate to ensure that the Company satisfies any and all withholding and tax payment obligations under Section 1441, 1445, 1446 or any other provision of the Code or other applicable law. Without limiting the generality of the foregoing, the Manager may withhold from distributions the amount that it determines is required to be withheld from the amount otherwise distributable to any Member pursuant to Article 5; provided, however, that such amount shall be deemed to have been distributed to such Member for purposes of applying Article 5 and this Article 6. The Manager will not withhold any amounts from cash or other property distributable to any Member to satisfy any withholding and tax payment obligations to the extent that such Member demonstrates to the Manager's satisfaction that such Member is not subject to such withholding and tax payment obligation. In the event that the Manager withholds or pays tax in respect of any Member for any period in excess of the amount of cash or other property otherwise distributable to such Member for such period (or there is a determination by any taxing authority that the Company should have withheld or paid any tax for any period in excess of the tax, if any, that it actually withheld or paid for such period), such excess amount (or such additional amount) shall be treated as a recourse loan to such Member that shall bear interest at the rate of ten percent per annum and be payable on demand.

6.9 Reports to Members.

(a) The books of account and records of the Company shall be audited as of the end of each Fiscal Year by the Company's independent public accountants.

(b) Within 60 calendar days after the end of each Fiscal Period of each Fiscal Year of the Company (or the next Business Day if the 60th calendar day is not a Business Day), the Company shall send to each Person who was a Member during such period an unaudited report setting forth the following as of the end of such Fiscal Period:

(i) unless such Fiscal Period is the last Fiscal Period of the Fiscal Year, an unaudited balance sheet as of the end of such period;

(ii) unless such Fiscal Period is the last Fiscal Period of the Fiscal Year, an unaudited income statement of the Company for such period;

(iii) a statement of each Member's Capital Account;

(iv) a summary of the Company's activities during such period; and

(v) a cash flow statement.

(c) Within 100 calendar days after the end of each Fiscal Year of the Company (or the next Business Day if the 100th calendar day is not a Business Day), the Company shall send to each Person who was a Member during such period an audited report setting forth the following as of the end of such Fiscal Year:

(i) an audited balance sheet as of the end of such Fiscal Year;

(ii) an audited income statement of the Company for such Fiscal Year;

(iii) a statement of each Member's Capital Account; and

(iv) a cash flow statement.

(d) The Company shall provide each Member with monthly "flash reports."

(e) With reasonable promptness, the Manager will deliver such other information available to the Manager, including financial statements and computations, as any Member may from time to time reasonably request in order to comply with regulatory requirements, including reporting requirements, to which such Member is subject.

6.10 **Auditors**. The auditors of the Company shall be Deloitte & Touche LLP, unless otherwise determined by the Manager.

6.11 **Transfers During Year**. In order to avoid an interim closing of the Company's books, the allocation of Net Income and Net Losses under this Article 6 between a Member who Transfers part or all of its Interest in the Company during the Company's Fiscal Year and such Member's transferee, or to a Member whose Percentage Interest varies during the course of the Company's Fiscal Year, may be determined pursuant to any method chosen by the Manager.

6.12 **Code Section 754 Election**. Pursuant to the Tax Receivable Agreement, the Company shall make the election provided for under Code Section 754.

ARTICLE 7

DISSOLUTION

7.1 **Dissolution**.

(a) The Company shall be dissolved and subsequently terminated upon the occurrence of the first of the following events:

(i) the unanimous decision of the Members that then hold Common Units to dissolve the Company;

(ii) the entry of a decree of judicial dissolution of the Company pursuant to § 18-802 of the LLC Act; or

(iii) the termination of the legal existence of the last remaining Member or the occurrence of any other event that causes the last remaining Member to cease to be a Member of the Company, unless the Company is continued without dissolution pursuant to Section 7.1(b).

(b) Upon the occurrence of any event that causes the last remaining Member of the Company to cease to be a Member of the Company (other than upon continuation of the Company without dissolution upon an assignment by the Member of all of its Interest in the Company and the admission of the transferee as a Member pursuant to Section 8.2), to the fullest extent permitted by law, the personal representative of such Member is hereby authorized to, and shall, within 90 days after the occurrence of the event that terminated the continued membership of such Member in the Company, agree in writing (i) to continue the Company and (ii) to the admission of the personal representative or its nominee or designee, as the case may be, as a substitute Member of the Company, effective as of the occurrence of the event that terminated the continued membership of such Member in the Company.

(c) Notwithstanding any other provision of this Agreement, the bankruptcy (as defined in §§ 18-101(1) and 18-304 of the LLC Act) of a Member shall not cause the Member to cease to be a Member of the Company and upon the occurrence of such an event, the Company shall continue without dissolution.

7.2 Winding-Up. When the Company is dissolved, the business and property of the Company shall be wound up in an orderly manner by the Manager or by a liquidating trustee as may be appointed by the Manager (the Manager or such liquidating trustee, as the case may be, the "**Liquidator**"). If the Members are unable to agree with respect to the distribution of any Company assets, then the Liquidator shall use its reasonable best efforts to reduce to cash and Cash Equivalents such assets of the Company as the Liquidator shall deem it advisable to sell, subject to obtaining fair market value for such assets and any tax or other legal considerations. No Member shall take any action (with respect to the Company) that is inconsistent with, or not necessary to or appropriate for, the winding up of the Company's business and affairs.

7.3 Final Distribution.

(a) As soon as reasonable following the event that caused the dissolution of the Company, the assets of the Company shall be applied in the following manner and order:

(i) to pay the expenses of the winding-up, liquidation and dissolution of the Company, and all creditors of the Company, other than Members, either by actual payment or by making a reasonable provision therefor, in the manner, and in the order of priority, set forth in § 18-804 of the LLC Act;

(ii) to pay, in accordance with the provisions of this Agreement, on a pro rata basis, the debts payable to all creditors of the Company that are Members, either by actual payment or by making a reasonable provision therefor; and

(iii) to distribute the remaining assets of the Company to the Members in accordance with Section 5.4(b), taking into account all adjustments to Capital Accounts or offsets required under this Agreement through the date of distribution.

(b) If any Member has a deficit balance in its Capital Account in excess of any unpaid Capital Contributions (if any), such Member shall have no obligation to make any Capital Contribution to the Company with respect to such deficit, and such deficit shall not be considered a debt owed to the Company or to any other Person for any purpose whatsoever.

(c) Each Member shall look solely to the assets of the Company for the amounts distributable to it hereunder and shall have no right or power to demand or receive property therefor from any other Member.

(d) The Company shall terminate when (i) all of the assets of the Company, after payment of or due provision for all debts, liabilities and obligations of the Company shall have been distributed to the Member in the manner provided for in this Agreement, and (ii) the Certificate shall have been canceled in the manner required by the LLC Act.

ARTICLE 8

TRANSFER; SUBSTITUTION; ADJUSTMENTS

8.1 Restrictions on Transfer.

(a) Notwithstanding anything contained herein to the contrary, each Member may, subject to Section 8.1(b), Transfer any or all of its Units. It is a condition to any Transfer by a Member (the "**Transferring Member**") otherwise permitted hereunder that the transferee (i) agrees to become a party to, and be bound by the terms of, this Agreement to the same extent as the Transferring Member, and (ii) assumes by operation of law or express agreement all of the obligations of the Transferring Member under this Agreement or to which such Transferring Member is a party with respect to such Transferred Units or other Equity Interests in the Company. Notwithstanding the foregoing, any transferee of any Transferred Units or other Equity Interests in the Company shall be subject to any and all ownership limitations contained in this Agreement or any other agreement with the Company to which such Transferring Member is a party. Any transferee, whether or not admitted as a Member, shall take subject to the obligations of the transferor hereunder.

(b) In addition to any other restrictions on Transfer herein contained, including, without limitation, the provisions of this Article 8, any purported Transfer or assignment of a Unit or other Equity Interests in the Company by any Member made in the following events shall be void ab initio:

(i) to any Person who lacks the legal right, power or capacity to own Units;

(ii) if such Transfer would cause the Company to become, with respect to any employee benefit plan subject to Title I of ERISA, a "party-in-interest" (as defined in Section 3(14) of ERISA) or a "disqualified person" (as defined in Section 4975(c) of the Code);

(iii) if such Transfer would, in the opinion of counsel to the Company, cause any portion of the assets of the Company to constitute assets of any employee benefit plan pursuant to Department of Labor Regulations Section 2510.3-101;

(iv) if such Transfer requires the registration of such Units pursuant to any applicable federal, state or foreign securities laws or would otherwise violate any federal, state or foreign securities laws or regulations applicable to the Company or the Units;

(v) if such Transfer is effectuated through an "established securities market" or a "secondary market (or the substantial equivalent thereof)" within the meaning of Section 7704 of the Code or such Transfer would result in a materially increased risk that the Company would he treated as a "publicly traded partnership," as such term is defined in Sections 469(k)(2) or 7704(b) of the Code;

(vi) if such Transfer subjects the Company to be regulated under the Investment Company Act of 1940, the Investment Advisors Act of 1940 or ERISA, each as amended;

(vii) if such Transfer may cause the Company to cease to be classified as a partnership for federal or state income tax purposes;

(viii) if such Transfer violates any applicable laws; or

(ix) if the Company does not receive written instruments (including without limitation, copies of any instruments of Transfer and such assignee's consent to be bound by this Agreement as an assignee) that are in a form satisfactory to the Manager (in its sole and absolute discretion).

8.2 Substituted Members.

(a) No Member shall have the right to substitute a transferee as a Member in his or her place with respect to any Units or other Equity Interests in the Company so Transferred (including any transferee permitted by Section 8.1) unless (i) such Transfer is made in compliance with the terms of this Agreement and any other agreements with the Company or other Members to which such transferor Member is a party and (ii) such transferee assumes, by written instrument satisfactory to the Company pursuant to Section 8.l(b)(ix) above, all the rights and powers and is subject to all the restrictions and liabilities that were applicable to the transferor by virtue of the transferor's ownership of the Units or other Equity Interests in the Company being Transferred.

(b) Except as provided in Section 8.2(c) and otherwise in this Agreement, a transferee who has been admitted as a Member in accordance with Section 8.2(a) shall have all the rights and powers and be subject to all the restrictions and liabilities of a Member under this Agreement holding the same Units or other Equity Interests in the Company. The admission of any transferee as a Member shall be subject to the provisions of Section 3.1.

(c) In the event of a Transfer by a Founding Member, the transferee shall not have the rights and powers of a Founding Member under this Agreement unless (i) the transferee is a Permitted Transferee of the Founding Member prior to and following the Transfer, or (ii) in the case of a direct or indirect Change of Control of the Founding Member, or any direct or indirect holder of equity in the Founding Member, following the Change of Control the

Founding Member's ESA Party or its stockholders owns 50% or more of the general voting power of the transferee.

8.3 Effect of Void Transfers. No Transfer of any Units owned by a Member in violation hereof shall be made or recorded on the books of the Company, and any such purported Transfer shall be void and of no effect.

ARTICLE 9

REDEMPTION RIGHT OF MEMBER

9.1 Redemption Right of a Member.

(a) Each Member (other than NCM Inc.) shall be entitled to cause the Company to redeem its Common Units (the "**Redemption Right**") from time to time. A Member desiring to exercise its Redemption Right (the "**Redeeming Member**") shall exercise such right by giving written notice (the "**Redemption Notice**") to the Company (with a copy to NCM Inc.). The Redemption Notice shall specify the number of Common Units (the "**Redeemed Units**") that the Redeeming Member intends to have the Company redeem and a date, which is not less than seven (7) Business Days nor more than 10 Business Days after delivery of the Redemption Notice, on which exercise of the Redemption Right shall be completed (the "**Redemption Date**"). Unless the Redeeming Member has timely delivered a Retraction Notice as provided in Section 9.1(b), on the Redemption Date (to be effective immediately prior to the close of business on the Redemption Date) (i) the Redeeming Member shall transfer and surrender the Redeemed Units to the Company, free and clear of all liens and encumbrances, and (ii) the Company shall (x) cancel the Redeemed Units, (y) transfer to the Redeeming Member the consideration to which the Redeeming Member is entitled under Section 9.1(b), and (z) issue to the Redeeming Member pursuant to Section 3.4(h) a certificate for a number of Common Units equal to the difference (if any) between the number of Common Units evidenced by the certificate surrendered by the Redeeming Member pursuant to clause (i) of this Section 9.1(a) and the Redeemed Units.

(b) In exercising its Redemption Right, a Redeeming Member, at NCM Inc.'s option as provided in Section 3.5(b) and subject to Section 9.1(d), shall be entitled to receive the Share Settlement or the Cash Settlement. Within three (3) Business Days of delivery of the Redemption Notice, NCM Inc. shall give written notice (the "**Contribution Notice**") to the Company (with a copy to the Redeeming Member) of its intended settlement method; provided that if NCM Inc. does not timely deliver a Contribution Notice, NCM Inc. shall be deemed to have elected the Share Settlement method. If NCM Inc. elects the Cash Settlement method, the Redeeming Member may retract its Redemption Notice by giving written notice (the "**Retraction Notice**") to the Company (with a copy to NCM Inc.) within two (2) Business Days of delivery of the Contribution Notice. The timely delivery of a Retraction Notice shall terminate all of the Redeeming Member's, Company's and NCM Inc.'s rights and obligations under this Section 9.1 arising from the Redemption Notice.

(c) The number of shares of NCM Inc. common stock and the Redeemed Units Equivalent that a Redeeming Member is entitled to receive under Section 9.1(b) (whether through a Share Settlement or Cash Settlement) shall not be adjusted on account of any distributions previously made with respect to the Redeemed Units or dividends previously paid with respect to NCM Inc. common stock; provided, however, that if a Redeeming Member causes the Company to redeem Redeemed Units and the Redemption Date occurs subsequent to the record date for any distribution with respect to the Redeemed Units but prior to payment of such distribution, the Redeeming Member shall be entitled to receive such distribution with respect to the Redeemed Units on the date that it is made notwithstanding that the Redeeming Member transferred and surrendered the Redeemed Units to the Company prior to such date.

(d) In the event of a reclassification or other similar transaction as a result of which the shares of NCM Inc. common stock are converted into another security, then in exercising it Redemption Right a Redeeming Member shall be entitled to receive the amount of such security that the Redeeming Member would have received if such Redemption Right had been exercised and the Redemption Date had occurred immediately prior to the record date of such reclassification or other similar transaction.

(e) The provisions of this Section 9.1 and Section 3.5(b) shall be interpreted and applied in a manner consistent with the corresponding provisions of NCM Inc.'s certificate of incorporation.

9.2 Effect of Exercise of Redemption Right. This Agreement shall continue notwithstanding the exercise of a Redeeming Member's Redemption Right and all governance or other rights set forth herein shall be exercised by the remaining Members and the Redeeming Member (to the extent of such Redeeming Member's remaining Interest in the Company). No exercise of a Redeeming Member's Redemption Right shall relieve such Redeeming Member of any prior breach of this Agreement. Notwithstanding the exercise of a Redeeming Member's Redemption Right, the Exhibitor Services Agreement executed between such Redeeming Member's ESA Party (if such Redeeming Member is a Founding Member) and the Company shall remain in full force and effect in accordance with the terms of such Exhibitor Services Agreement. The Redeeming Member (if a Founding Member) and its Affiliates shall retain all ownership and rights with respect to its theatres and other assets that are not Contributed Assets (as defined in Section 2.5 of the Contribution and Unit Holders Agreement). All Contributed Assets of such Member shall remain the sole and exclusive property of the Company.

ARTICLE 10

MISCELLANEOUS

10.1 Agreement to Cooperate; Further Assurances. In case at any time any further action is necessary or desirable to carry out the purposes of this Agreement, the proper officers and Managers of the Company and each Member and their respective Affiliates shall execute such further documents (including assignments, acknowledgments and consents and other instruments of Transfer) and shall take such further action as shall be necessary or desirable to effect such Transfer and to otherwise carry out the purposes of this Agreement, in each case to the extent not inconsistent with applicable law.

10.2 **Amendments**. Except as otherwise expressly provided in this Agreement (including as provided in Sections 4.3(b)(vi) and 4.3(b)(xix)), amendments to this Agreement shall require a Majority Member Vote; provided, however, that (i) this Agreement may not be amended so as to materially impair the voting power or economic rights of any outstanding Common Units in relation to any other outstanding Units or of any Member in relation to the other Members, in either case, without the consent of each Member and the holders representing a majority of the then issued and outstanding Units or the affected Member, as the case may be, and (ii) Article 8 may only be amended with the approval of the Manager and a Majority Member Vote.

10.3 **Confidentiality**. For a period of three years after the earlier of (x) the dissolution of the Company and the termination of this Agreement or (y) the date upon which such Member ceases to be a Member of the Company:

(a) (i) Each Member shall use and cause its Affiliates to use the same degree of care it uses to safeguard its own Confidential Information (as defined below) and to cause its and its Affiliates' directors, officers, employees, agents and representatives to keep confidential all Confidential Information, including but not limited to Intellectual Property and other Proprietary Information of the other Members and the Company, and

(ii) Each Member shall hold and shall cause its Affiliates to hold and shall cause its and its Affiliates' directors, officers, employees, agents and representatives to hold in confidence, unless compelled to disclose by judicial or administrative process or, in the opinion of counsel, by the requirements of law, all documents and information concerning any other party hereto furnished it by such other party or its representatives in connection with the transactions contemplated by this Agreement (together with the information referred to in clause (i) above, the "**Confidential Information**")), except to the extent that any such information can be shown to have been (A) previously known by the party to which it is furnished lawfully and without breaching or having breached an obligation of such party or the disclosing party to keep such documents and information confidential, (B) in the public domain through no fault of the disclosing party, or (C) independently developed by the disclosing party without using or having used the Confidential Information.

(b) Each Member agrees that the Confidential Information of the Company shall only be disclosed in secrecy and confidence, and is to be maintained by them in secrecy and confidence subject to the terms hereof. Each Member shall (i) not, directly or indirectly, use the Confidential Information of the Company, except as necessary in the ordinary course of the Company's business, or disclose the Confidential Information of the Company to any third party and (ii) inform all of its employees to whom the Confidential Information of the Company is entrusted or exposed of the requirements of this Section and of their obligations relating thereto.

(c) The Company shall preserve the confidentiality of all Confidential Information supplied by the Members and their Affiliates ('**Member Information**") to the same extent that a Member must preserve the confidentiality of Confidential Information pursuant to Sections 10.3(a) and (b).

(d) Member Information shall not be supplied by the Company or its Subsidiaries to any Person who is not an employee of the Company or the Manager, including any employee of a Member who is not an employee of the Company or the Manager. Notwithstanding the foregoing, Member Information may be disclosed to authorized third-party contractors of the Company if the Company determines that such disclosure is reasonably necessary to further the business of the Company, and if such contractor executes a non-disclosure agreement preventing such contractor from disclosing such Member Information for the benefit of each provider of Member Information in a form reasonably acceptable to the Founding Members. Member Information disclosed by any Member to the Company or the Manager shall not be shared with any other Member that is not the Manager without the disclosing Member's written consent.

10.4 **Injunctive Relief**. The Company and each Member acknowledge and agree that a violation of any of the terms of this Agreement will cause the other Members and the Company, as the case may be, irreparable injury for which an adequate remedy at law is not available. Accordingly, it is agreed that each of the Members and the Company will be entitled to an injunction, restraining order or other equitable relief to prevent breaches of the provisions of this Agreement and to enforce specifically the terms and provisions hereof in any court of competent jurisdiction, in addition to any other remedy to which they may be entitled at law or, equity. Nothing stated herein shall limit any other remedies provided under this Agreement or available to the parties at law or in equity.

10.5 **Successors, Assigns and Transferees**. The provisions of this Agreement will be binding upon and will inure to the benefit of the parties hereto and their respective successors and Permitted Transferees, and nothing in this Agreement, express or implied, is intended to or shall confer upon any other Person, including but not limited to any creditor of the Company or its Subsidiaries, any right, benefit, or remedy of any nature by reason of this Agreement. An assignment of the rights, interests or obligations hereunder, including but not limited to an assignment by operation of law, shall be null and void unless a provision of this Agreement specifically provides otherwise or the Company gives its prior written consent therefor.

10.6 **Notices**. All notices, demands or other communications to be given under or by reason of this Agreement shall be in writing and shall be delivered by hand or sent by facsimile, electronic mail or nationally recognized overnight delivery service and shall be deemed given when received if delivered on a Business Day during normal business hours of the recipient or, if not so delivered, on the next Business Day following receipt. Notices to the Company or any Member shall be delivered to the Company or such Member as set forth in Exhibit A, as it may be revised from time to time. Any party to this Agreement may change its address or fax number for notices, demands and other communications under this Agreement by giving notice of such change to the other parties hereto in accordance with this Section 10.6.

10.7 **Integration**. This Agreement, together with the other Joint Venture Agreements and the documents referred to herein or therein, or delivered pursuant hereto or thereto, contain the exclusive entire and final understanding of the parties with respect to the subject matter hereof and thereof. There are no agreements, representations, warranties, covenants or undertakings with respect to the subject matter hereof and thereof other than those expressly set forth herein and therein. Except as expressly set forth herein, this Agreement together with the other Joint Venture Agreements supersede all other prior agreements, discussions, negotiations, communications and understandings between the parties with respect to such subject matter hereof and thereof. No party has relied on any statement, representation, warranty, or promise not expressly contained in this Agreement or another Joint Venture Agreement in connection with this transaction.

10.8 **Severability**. If one or more of the provisions, paragraphs, words, clauses, phrases or sentences contained herein, or the application thereof in any circumstances, is held invalid, illegal or unenforceable in any respect for any reason, then such provision, paragraph, word, clause, phrase or sentence shall be deemed restated to reflect the original intention of the parties as nearly as possible in accordance with applicable law and the remainder of this Agreement. The legality and enforceability of any such provision, paragraph, word, clause, phrase or sentence in every other respect and of the remaining provisions, paragraphs, words, clauses, phrases or sentences hereof will not be in any way impaired, it being intended that all obligations, rights, powers and privileges of the Company and the Members will be enforceable to the fullest extent permitted by law. Upon such determination of invalidity, illegality or unenforceability, the Company and the Members shall negotiate in good faith to amend this Agreement to effect the original intent of the Members.

10.9 **Counterparts**. This Agreement may be executed in one or more counterparts and by different parties on separate counterparts, each of which will be deemed an original, but all of which will constitute one and the same instrument. The parties agree that this Agreement shall be legally binding upon the electronic transmission, including by facsimile or email, by each party of a signed signature page hereof to the other party.

10.10 **Governing Law; Submission to Jurisdiction**.

(a) This Agreement is to be construed in accordance with and governed by the internal laws of the State of Delaware without giving effect to any choice of law rule that would cause the application of the laws of any jurisdiction other than the internal laws of the State of Delaware to the rights and duties of the parties.

(b) Each party hereto agrees that any legal action or other legal proceeding relating to this Agreement or the enforcement of any provision of this Agreement shall be brought or otherwise commenced exclusively in any state or federal court located in Delaware or in New York, New York. Subject to the preceding sentence, each party thereto:

(i) expressly and irrevocably consents and submits to the jurisdiction of each state and federal court located in Delaware or New York, New York (and each appellate court located in Delaware or the State of New York) in connection with any such legal proceeding, including to enforce any settlement, order or award;

(ii) consents to service of process in any such proceeding in any manner permitted by the applicable laws of Delaware or the State of New York, and agrees that service of process by registered or certified mail, return receipt requested, at its address specified pursuant to Section 10.6 is reasonably calculated to give actual notice, to the extent permitted by applicable law;

(iii) agrees that each state and federal court located in Delaware or New York, New York shall be deemed to be a convenient forum;

(iv) waives and agrees not to assert (by way of motion, as a defense or otherwise), in any such legal proceeding commenced in any state or federal court located in Delaware or New York, New York, any claim that such party is not subject personally to the jurisdiction of such court, that such legal proceeding has been brought in an inconvenient forum, that the venue of such proceeding is improper or that this Agreement or the subject matter hereof or thereof may not be enforced in or by such court; and

(v) agrees to the entry of an order to enforce any resolution, settlement, order or award made pursuant to this Section by the state and federal courts located in Delaware or New York, New York and in connection therewith hereby waives, and agrees not to assert by way of motion, as a defense, or otherwise, any claim that such resolution, settlement, order or award is inconsistent with or violative of the laws or public policy of the laws of Delaware or the State of New York or any other jurisdiction.

(c) In the event of any action or other proceeding relating to this Agreement or the enforcement of any provision of this Agreement, the prevailing party (as determined by the court) shall be entitled to payment by the non-prevailing party of all costs and expenses (including reasonable attorneys' fees) incurred by the prevailing party, including any costs and expenses incurred in connection with any challenge to the jurisdiction or the convenience or propriety of venue of proceedings before any state or federal court located in Delaware or New York, New York.

[Signature Page to Follow]

IN WITNESS WHEREOF, each of the undersigned has executed this Agreement or caused this Agreement to be executed on its behalf as of the date first written above.

AMERICAN MULTI-CINEMA, INC.

By: /s/ CRAIG R. RAMSEY
Craig R. Ramsey
Executive Vice President
and Chief Financial Officer

CINEMARK MEDIA, INC.

By: /s/ MICHAEL CAVALIER
Michael Cavalier
Its Senior Vice President-General Counsel

REGAL CINEMEDIA HOLDINGS, LLC

By: /s/ MICHAEL L. CAMPBELL
Michael L. Campbell
Its Chief Executive Officer

NATIONAL CINEMEDIA, INC.

By: /s/ GARY W. FERRERA
Gary W. Ferrera
Its Executive Vice President and
Chief Financial Officer

Exhibit A

Members and Units

Names and Addresses	Common Units	Preferred Units
AMC Founding Member: **American Multi-Cinema, Inc.** 920 Main Street Kansas City, MO 64105 Attention: Kevin M. Connor Fax: (816) 480-4700 *with a copy to:* Latham & Watkins LLP 885 Third Avenue New York, NY 10022 Attention: David S. Allinson Fax: (212) 751-4864	**17,474,890** Common Units[1]	**18,822,976** Preferred Units[2]
Cinemark Founding Member: **Cinemark Media, Inc.** c/o Cinemark Holdings, Inc. 3900 Dallas Parkway Suite 500 Plano, TX 75093 Attention: Robert Copple Fax: (974) 665-1003 *with a copy to:* Cinemark Holdings, Inc. 3900 Dallas Parkway Suite 500 Plano, TX 75093 Attention: Michael Cavalier Fax: (974) 665-1003	**13,145,349** Common Units[3]	**14,159,437** Preferred Units[4]

[1] AMC – Percentage Interest: 18.6%

[2] AMC will receive $259,346,737 in redemption and complete satisfaction of AMC's Preferred Units under Section 3.4(e).

[3] Cinemark Media – Percentage Interest: 14.0%

[4] Cinemark Media will receive $195,091,561 in redemption and complete satisfaction of Cinemark Media's Preferred Units under Section 3.4(e).

Name and Addresses	Common Units	Preferred Units
Regal Founding Member: **Regal CineMedia Holdings, LLC** 7132 Regal Lane Knoxville, TN 37918 Attention: General Counsel Fax: (865) 922-6085 *with a copy to:* Hogan & Hartson L.L.P. 1200 Seventeenth Street Suite 1500 Denver, CO 80202 Attention: Christopher J. Walsh Fax: (303) 899-7333	**21,230,712** Common Units[5]	**22,868,538** Preferred Units[6]
National CineMedia, Inc. 9100 East Nichols Avenue Suite 200 Centennial, CO 80112-3405 Attention: General Counsel Fax: (303) 792-8649 *with a copy to:* Holme Roberts & Owen LLP 1700 Lincoln Street Suite 4100 Denver, CO 80203 Attention: W. Dean Salter Fax: (303) 866-0200	**42,000,000** Common Units[7]	**Zero (0)** Preferred Units[8]
Totals:	**93,850,951** Common Units	**55,850,951** Preferred Units

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[5] Regal – Percentage Interest: 22.6%

[6] Regal will receive $315,087,304 in redemption and complete satisfaction of Regal's Preferred Units under Section 3.4(e).

[7] NCM Inc. – Percentage Interest: 44.8%

[8] NCM Inc. will receive no amount under Section 3.4(e).

Exhibit B

Over-Allotment Unit Purchase

Founding Member	Common Units Sold in Over-Allotment Unit Purchase	Consideration Received in Over-Allotment Unit Purchase
AMC Founding Member	**1,348,086** Common Units	**$26,468,966** Cash
Cinemark Founding Member	**1,014,088** Common Units	**$19,911,073** Cash
Regal Founding Member	**1,637,826** Common Units	**$32,157,856** Cash
Totals:	**4,000,000** Common Units	**$78,537,895** Cash

Exhibit C

Form of Common Unit Certificate

Exhibit 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the use in this Amendment No. 1 to Registration Statement No. 333-140390 of our report dated March 15, 2007 on the financial statements and financial statement schedule of Cinemark Holdings, Inc. and Subsidiaries (which report expresses an unqualified opinion and includes an explanatory paragraph relating to a change in the method of accounting for share-based compensation required under Statement of Financial Accounting Standard No. 123(R), *Share Based Payment*) , appearing in the prospectus, which is part of this Registration Statement, and to the reference to us under the heading “Experts” appearing in such prospectus.

/s/ Deloitte & Touche LLP

Dallas, Texas
March 15, 2007

Exhibit 23.2

Consent of Independent Certified Public Accountants

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
March 13, 2007

AKIN GUMP
STRAUSS HAUER & FELD llp
Attorneys at Law

TERRY M. SCHPOK, P.C.
(214) 969-2870 / Fax: (214) 969-4343
tschpok@akingump.com

March 16, 2007

Securities and Exchange Commission
100 F Street, N.E.
Mail Stop 3561
Washington, D.C. 20549-3561
Attn: Mr. Max A. Webb

Re: Cinemark Holdings, Inc.
Registration Statement on Form S-1
Filed February 1, 2007
File No. 333-140390

Dear Mr. Webb:

On behalf of Cinemark Holdings, Inc., a Delaware corporation (the "***Company***"), we enclose for filing under the Securities Act of 1933, as amended (the "***Securities Act***"), and the applicable rules and regulations under the Securities Act, Amendment No. 1 (the "***Amendment***") to the Registration Statement on Form S-1, File No. 333-140390, filed on February 1, 2007 (the "***Registration Statement***").

The Registration Statement has been amended to reflect responses to the comments received from the Securities and Exchange Commission Staff (the "***Staff***") set forth in the Staff's comment letter, dated March 1, 2007 (the "***Comment Letter***"), relating to the Registration Statement. For your convenience, each response is preceded by the Staff's comment to which the response relates. Terms not otherwise defined herein have the meaning ascribed to such terms in the Registration Statement. Page references in the following responses to the Staff's comments refer to pages of the Amendment.

Prospectus

General

1. **Comment.** *Please provide us with any artwork that you intend to use. The inside front cover artwork should be clear illustrations of your product or business with concise language describing the illustrations. Artwork that does not convey the business purpose and language that strays beyond a limited scope will not be appropriate inside the front cover. Please refer to Section VIII of the Division of Corporation Finance March 31, 2001 Current Issues and Rulemaking Projects Quarterly Update available at www.sec.gov.*

   Response. The Company will provide the Staff with a copy of the artwork proposed to be included on the inside front cover and the inside back cover of the prospectus once the artwork has been completed.

2. **Comment.** *In numerous places in the prospectus, you compare yourself to others in your industry. Please provide us with the basis for such comparisons, including:*

- *On page 1: "Our circuit is the third largest in the U.S."*
- *On pages 1 and 3: "the most geographically diverse circuit in Latin America."*
- *On page 1: "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 pages 1 and 3: "Century's theatre circuit is among the most modern in the U.S." and "We have one of the most modern theatre circuits in the industry," respectively.*
- *On page 2: "[W]e ranked either first or second by box office revenues in 27 out of our top 30 U.S. markets."*
- *On page 3: "We feature stadium seating in 78% of our first-run auditoriums, the highest percentage among the three largest U.S. exhibitors."*
- *On page 3: "[W]e 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."*

Response. Enclosed with this letter is an exhibit binder containing a copy of industry and market information (Exhibit A) used in support of the following statements set forth in the Amendment.

Statement	**Support**
On page 1: "Our circuit is the third largest in the U.S."	See Exhibit Binder — Exhibit A — Tab 1: Top 10 U.S. and Canadian Circuits (source: National Association of Theatre Owners).
	See Exhibit Binder — Exhibit A — Tab 2: "New Leadership Steers World's Largest Association of Cinema Owners," In Focus, Volume VI, No. 11 (source: National Association of Theatre Owners).
On pages 1 and 3: "the most geographically diverse circuit in Latin America."	See Exhibit Binder — Exhibit A — Tab 3: Geographic Diversity table comparing Cinemark Holdings, Inc. to its competitors (Cinepolis, AMC Entertainment, Inc. and National Amusements Inc.).
On page 1: "We grew our total revenue per patron at the highest compound annual growth rate, or CAGR, during the last three fiscal years among the three largest motion picture exhibitors in the U.S."	See Exhibit Binder — Exhibit A — Tab 4: Per Patron Revenue Growth Summary table and per Patron Revenue CAGR Benchmarking table comparing Cinemark Holdings, Inc. to Regal Entertainment Group and AMC Entertainment, Inc.

Statement	Support
On pages 1 and 3: "Century's theatre circuit is among the most modern in the U.S." and "We have one of the most modern theatre circuits in the industry," respectively.	See Exhibit Binder — Exhibit A — Tab 5: Cinemark Holdings, Inc. Stadium Seating Comparison table. The Company believes that theatres constructed with stadium seating represent modern style theatre construction and, therefore, the number of theatres in a circuit featuring stadium seating is an indication of the extent to which a circuit operates modern theatres.
On page 2: "[W]e ranked either first or second by box office revenues in 28 out of our top 30 U.S. markets."	See Exhibit Binder — Exhibit A — Tab 6: Cinemark Holdings, Inc. Market Rankings based on pro forma box office revenues (source: Rentrak).
On page 3: "We feature stadium seating in 79% of our first-run auditoriums, the highest percentage among the three largest U.S. exhibitors."	See Exhibit Binder — Exhibit A — Tab 5: Cinemark Holdings, Inc. Stadium Seating Comparison table.
On page 3: "[W]e grew our admissions and concessions revenues per patron at the highest CAGR during the last three fiscal years among the three largest motion picture exhibitors in the U.S."	See Exhibit Binder — Exhibit A — Tab 4: Per Patron Revenue Growth Summary table and per Patron Revenue CAGR Benchmarking table comparing Cinemark Holdings, Inc. to Regal Entertainment Group and AMC Entertainment, Inc.

3. **Comment.** *Please remove marketing language from the prospectus or provide independent verification that such claims are true. For example:*

- *Page 1: "disciplined growth strategy."*
- *Page 1: "superior movie-going experience."*
- *Page 3: "rigorous site selection."*
- *Page 3: "superior execution."*
- *Page 3: "consistently delivering value to our shareholders."*

Response. The Company has removed or revised the above-referenced disclosures in response to the Staff's comment.

4. **Comment.** *Your presentation of adjusted EBITDA, as a performance measure, does not comply with Item10(e) of Regulation S-K, because it eliminates certain recurring charges (e.g. impairment of long lived assets, (gain)/loss on sale of assets and other, deferred lease expense). Therefore, your discussion of adjusted EBITDA and adjusted EBITDA margin should be eliminated. However, if management believes that adjusted EBITDA is a material covenant of*

your credit agreements and is important to an investor's understanding of your company's capital structure and liquidity conditions, you may include a discussion of adjusted EBITDA within the liquidity and capital resources section of MD&A along with a reconciliation to operating cash flows, the most directly comparable GAAP liquidity measure. For guidance refer to Question 10 of the Staff's Frequently Asked Questions Regarding the Use of Non-GAAP Financial Measures.

Response. Revisions have been made to the "Prospectus Summary — Non-GAAP Financial Measures and Reconciliations" on page 10 and "Selected Historical Consolidated Financial and Operating Information — Non-GAAP Financial Measures and Reconciliation" on page 26 to reflect that the Company has presented non-GAAP measures because it uses the financial measure to monitor compliance with material financial covenants in the indenture governing its 9 3/4% senior discount notes. In addition, the Company has added disclosure regarding covenant compliance in "Management's Discussion and Analysis — Liquidity and Capital Resources" on page 53 under the heading "Covenant Compliance." The Company reconciles Adjusted EBITDA to net income based on definitions in the indenture governing the Company's 9 3/4% senior discount notes due 2014.

Market Information, page i

5. **Comment.** *For each source of information you cite here, please either file a consent for the use of such information or confirm that the cited information is publicly available for free or for a nominal cost, quantifying any such nominal cost. Refer to Rule 436 of Regulation C. Alternatively, you may remove your references to the third parties and attribute the information to the company, based on its own research.*

Response. None of the industry reports cited were prepared specifically for the Company or for use in the Registration Statement. While the Company paid customary subscription fees for access to the reports prepared by BIA Financial Network, Inc., Veronis Suhler Stevenson and PricewaterhouseCoopers LLP, the Company did not pay for the compilation of the data in the cited reports or otherwise participate in the preparation of such reports. Other data cited in the Registration Statement are publicly available at no cost. The Company has obtained the consents of BIA Financial Network, Inc., Veronis Suhler Stevenson and PricewaterhouseCoopers LLP. Please see Exhibit Binder — Exhibit B enclosed herewith for copies of consents received. The Company respectfully submits, however, that no consents are required to be filed with the Registration Statement pursuant to Rule 436 of Regulation C.

6. **Comment.** *We note your statement in the second paragraph indicating that, other than "compiling and extracting," you "take no further responsibility" for market and industry data provided by third parties. Furthermore, you indicate that you cannot provide assurance of the accuracy of such data. Disclaimer of liability for material information provided by the issuer are not appropriate. Please revise to remove the language noted above.*

Response. As requested by the Staff's comment, the Company has removed the disclaimer language on page i under "Market Information."

Prospectus Summary, page 1

General

7. **Comment.** *In an appropriate place in the summary, please disclose how much MDP invested in Cinemark, Inc. as part of the MDP Merger, how much MDP will receive as selling shareholders in this transaction, and the percentage of ownership MDP will retain after this transaction is complete.*

Response. The disclosure in the "Prospectus Summary — Madison Dearborn Partners" on page 6 has been revised to disclose how much MDP invested in Cinemark, Inc. as part of the MDP Merger, how much MDP will receive as a selling stockholder in this transaction, and the percentage of ownership MDP will retain after this transaction is complete. In addition, the amount invested by MDP in the Company is referenced in the fourth paragraph on page 57 and the post-offering beneficial ownership of MDP is referenced on page 17 under the risk factor "The interests of MDP may not be aligned with yours" and on page 87 in the table of principal stockholders.

Our Company, page 1

8. **Comment.** *Please tell us what line items on page F-4 you refer to when you reference your "operating margins" in the second paragraph and why these items are properly described as "high."*

Response. The Company has revised the second paragraph under "Prospectus Summary — Cinemark Holdings, Inc." on page 1 to delete the reference to "high operating margins."

9. **Comment.** *In addition, please disclose your revenues and net income for the most recent audited period and interim stub to provide a financial snapshot of your company.*

Response. To address the Staff's comment, revisions have been made in the third paragraph under "Prospectus Summary — Cinemark Holdings, Inc. — Our Company" on page 1, the third paragraph under "Business — Our Company" on page 57 and elsewhere in the Registration Statement to include the Company's revenues and net income for the year ended December 31, 2006, the most recent audited period. In compliance with Regulation S-X, interim financial information has been replaced with year-end December 31, 2006 financial information.

10. **Comment.** *Please indicate the dollar amount of your debt, including the dollar amount and percentage of your debt which is at floating rates.*

Response. As requested by the Staff's comment, a sentence has been added to the third paragraph of "Prospectus Summary — Cinemark Holdings, Inc. — Our Company" on page 1 and "Business — Our Company" on page 57 showing the dollar amount of the Company's long-term debt at December 31, 2006, including the dollar amount and the percentage of the Company's debt which accrues interest at variable rates.

11. **Comment.** *Either delete the phrase "track record of strong financial performance" in the second paragraph or revise to clarify that you regard losses in three of the last five years as indicating such a track record. Similarly, either delete the phrase "consistent cash flows" or balance it with disclosure about inconsistent net income.*

Response. Revisions have been made to the second paragraph of "Prospectus Summary — Cinemark Holdings, Inc. — Our Company" on page 1 and to the first and fifth paragraphs of "Prospectus Summary — Competitive Strengths" on pages 2 and 3 to address this comment.

12. **Comment.** *For each place where you mention revenues in the text please also include net income/loss for the same period. Including both numbers will better help investors in evaluating your company.*

Response. Revisions have been made in the third paragraph under "Prospectus Summary — Cinemark Holdings, Inc. — Our Company" on page 1, the third paragraph under "Business — Our Company" on page 57 and elsewhere in the Registration Statement to address this comment as well as comments 9 and 13.

<u>High Quality Theaters with Strong Operating Performance, page 1</u>

13. **Comment.** *We note that you provide revenue information for Century Theaters, Inc. for fiscal year 2006. Please also provide net income information.*

Response. As requested by the Staff's comment, revisions have been made in the second paragraph under "Prospectus Summary — Cinemark Holdings, Inc. — Acquisition of Century Theatres, Inc." on page 1 and in the second paragraph under "Business — Acquisition of Century Theatres, Inc." on page 58 to provide net income information for Century Theaters, Inc. for fiscal year 2006.

<u>Participation in National CineMedia, page 2</u>

14. **Comment.** *You indicate that you joined National CineMedia ("NCM") as a founding member with others. If you mean that you founded National CineMedia with others, please revise to so state, or advise.*

Response. The first paragraph under the heading "Prospectus Summary — Participation in National CineMedia" on page 2 and the first paragraph under the heading "Business — Participation in National CineMedia" on page 58 have been revised to clarify that in March 2005, Regal Entertainment, Inc. and AMC Entertainment, Inc. formed National CineMedia, LLC ("***NCM***"), and on July 15, 2005, the Company joined NCM, as one of the founding members.

15. **Comment.** *In addition, you indicate that NCM "operates the largest digital in-theatre network in the U.S." Please expand on and clarify the meaning of this statement. For example, if you mean that it operates the largest digital in-theater network in the U.S. for providing cinema advertising and non-film events, then please so state. In addition, please reconcile this statement with the first risk factor on page 15, which implies that you do not have digital equipment in your theaters. Finally, provide us with the basis for your statement that NCM has the largest such network.*

Response. The first paragraph under the heading "Prospectus Summary — Participation in National CineMedia" on page 2 and the first paragraph under the heading "Business — Participation in National CineMedia" on page 58 have been revised to clarify that the digital projectors currently used to display advertising will not be used to deliver digital film content or digital cinema. The first risk factor on page 15 relates to digital projectors to show digital movies and not the delivery by NCM of digital advertising content and non-film event content. The reference that NCM operates the largest in-theatre network in the U.S. which delivers digital advertising content and non-film event content to the screen and lobbies of the three largest motion picture companies in the country is based on NCM's statement to that effect in its registration statement on Form S-1. Please see Exhibit Binder — Exhibit A — Tab 7, page 1 of NCM's Final Prospectus, as filed with the Securities and Exchange Commission on February 9, 2007.

16. **Comment.** *Please describe the status of your efforts to enter into a new agreement with NCM, as referenced at the bottom of page 14, and describe how the new agreement differs from your old agreement with NCM, if known.*

Response. Revisions have been made throughout the Registration Statement, including to "Prospectus Summary — Cinemark Holdings, Inc. — Participation in National CineMedia" on page 2, "Business — Participation in National CineMedia" on page 58 and the risk factor titled "We may not be able to generate additional revenues or realize expected value from our investment in NCM" on page 14, to reflect that on February 13, 2007, NCM, Inc. consummated its initial public offering and that the Company has amended various agreements, including the Exhibitor Services Agreement, with NCM and to describe how the new Exhibitor Services Agreement differs from the Company's old agreement with NCM. Revisions have also been made to describe the material terms of such amendments at "Management's Discussion and Analysis of Financial Condition and Results of Operations — Recent Developments — National CineMedia" on pages 35 and 36 and "Business — Recent Developments — National CineMedia" on pages 61 and 62.

17. **Comment.** *Please file with your next amendment all material contracts related to your participation in National CineMedia, including the Exhibitor Services Agreement you reference in the first paragraph. Refer to Item 601(b)(10) of Regulation S-K.*

Response. The Company has filed all material contracts related to its participation in NCM, including the new Exhibitor Services Agreement. Consistent with the position taken by NCM, Inc. in connection with its registration statement, the Company is requesting confidential treatment of certain information in the Exhibitor Services Agreement to protect certain proprietary information as further discussed in the Company's Confidential Treatment Request filed March 16, 2007.

18. **Comment.** *Define DMA here.*

    Response. The references to DMA have been deleted.

<u>Our Industry, page 4</u>

19. **Comment.** *You indicate that box office revenues grew at a CAGR of 5.4% over the last 35 years. Please also mention that such revenues in 2005 were lower than they have been since 2001, as referenced in the chart at the top of page 56.*

    Response. The Registration Statement has been revised to include revenues for 2006 which have increased from 2005. Revisions have been made to "Prospectus Summary — Our Industry" on pages 3 and 4 and "Business — Motion Picture Industry Overview — Domestic Markets" on page 59 to clarify that industry growth has been subject to short-term decreases and increases and that revenues were lower in 2005.

20. **Comment.** *Please revise to include the CAGR for revenues adjusted for inflation, if possible.*

    Response. The information disclosed regarding the industry CAGR for revenues is not adjusted for inflation because the source of such information (Motion Picture Association of America) does not provide such information on an inflation-adjusted basis.

<u>Increased Investment in Production, page 4</u>

21. **Comment.** *You reference here downstream markets. Please define the term, summarize the recent growth of such markets, and describe the challenges they pose to your industry, if any.*

    Response. The paragraph on page 4 entitled "Importance of Theatrical Success in Establishing Movie Brands and Subsequent Markets" in "Prospectus Summary — Our Industry" defines "downstream" markets as home video, DVD and network, syndicated and pay-per-view television. The risk factor entitled "An increase in the use of alternative or "downstream" film distribution channels and other competing forms of entertainment may drive down movie theatre attendance and limit ticket price growth" on page 13 has been revised to include information regarding recent growth of such markets in addition to describing the challenges posed to the Company's industry. In addition, a bullet describing this risk has been added to "Prospectus Summary — Risk Factors" on page 6 to highlight the risk for prospective investors.

Stable Long-term Attendance Trends, page 4

22. **Comment.** *Either here or somewhere else in the summary, please summarize your recent attendance history, including the fact that you experienced a 7.6% decline in attendance from fiscal year 2004 to 2005, as referenced in the chart on page 42.*

Response. The summary of operating data on page 9 of the Prospectus Summary and the operating data table included in "Selected Historical Consolidated Financial and Operating Information" of page 25 sets forth the Company's attendance history for 2004, 2005 and 2006. In addition, revisions were made to "Prospectus Summary — Our Industry" on pages 3 and 4 to clarify that industry growth has been subject to short-term decreases and that 2005 box office revenues decreased 5.7% over the prior year.

Madison Dearborn Partners, page 5

23. **Comment.** *Please either remove or reposition this section elsewhere in the prospectus.*

Response. In response to the Staff's comment 7 and this comment 23, the Company has removed much of the prior disclosure regarding MDP and added the requested disclosure under the heading "Prospectus Summary — Madison Dearborn Partners" on page 6 regarding MDP's investment in the Company, MDP's expected net proceeds from this offering and MDP's post-offering beneficial ownership.

The Offering, page 6

24. **Comment.** *Please revise to disclose that Lehman Brothers and an affiliate of Lehman Brothers will receive proceeds of the offering, as described on page 98.*

Response. Disclosure has been added in "Prospectus Summary — the Offering" on page 7 with respect to the role of Lehman Brothers, Inc. as an initial purchaser of the Company's 9 3/4% senior discount notes due 2014 and of an affiliate of Lehman Brothers, Inc. as a lender under the Company's new senior secured credit facility. However, the Company has not yet determined the extent to which its net proceeds from the offering will be used to repurchase the 9 3/4% senior discount notes due 2014 or to repay outstanding debt under the new senior secured credit facility, and therefore the amount of any proceeds that may be received by Lehman Brothers, Inc. or its affiliate is not currently known.

Risk Factors, Page 12

25. **Comment.** *Please remove the second sentence of the opening paragraph.*

Response. As requested by the Staff's comment, the second sentence of the opening paragraph in the "Risk Factors" section has been removed.

26. **Comment.** *If your past history includes doing well during times of economic expansion (such as the current expansion) and poorly during times of recession, consider adding a risk factor about that trend.*

Response. A reference to the risks to the Company's business posed by economic recession is included in the risk factor "General political, social and economic conditions can adversely affect our attendance" on page 14. However, the Company's history does not indicate that the Company's performance necessarily declines during times of economic recession or increases during times of economic expansion.

<u>If we do not comply with the Americans with Disabilities Act, page 15</u>

27. **Comment.** *Please modify the heading to this risk factor to include reference to the consent order that was entered November 17, 2004.*

Response. As requested by the Staff's comment, revisions have been made to this risk factor heading on page 15.

<u>We are subject to impairment losses, page 15</u>

28. **Comment.** *Please describe why your asset impairment charges increased from $5 million in fiscal year 2003 to $51.7 million in fiscal year 2005.*

Response. As requested by the Staff's comment, revisions have been made to the risk factor entitled "We are subject to impairment losses due to potential declines in the fair value of our assets" on page 16.

<u>Use of Proceeds, page 21</u>

29. **Comment.** *Please provide the approximate amount of proceeds intended to be used for each purpose you state, if practicable. Refer to Item 514 of Regulation S-K.*

Response. The Company intends to use the net proceeds that it will receive to repay debt outstanding under the Company's new senior secured credit facility or to repurchase all or a part of the Company's 9 3/4% senior discount notes due 2014, and for working capital and other general corporate purposes. At this time, the Company has not determined the amount of proceeds to be used for each purpose. The Company contemplates determining the approximate amount of proceeds to be used for each purpose when a determination is made regarding the number of shares to be sold by the Company and the selling stockholders. The use of proceeds will be subsequently revised to reflect the Company's determination of the amount of net proceeds to be used for repayment of debt under the senior secured credit facility and to repurchase the 9 3/4% senior discount notes due 2014.

Liquidity and Capital Resources, page 46

30. **Comment.** *Due to the fact that you are significantly leveraged, you should revise the liquidity and capital resources section of your MD&A to include a discussion of your overall capital structure, including a discussion of debt covenants and a more detailed discussion of your total outstanding long-term debt, borrowing capacity and interest costs. In order to assist investors in understanding the potential effects of your financings on your operations, this discussion should be presented in plain English, summary form, and/or in a tabular format.*

Response. Revisions have been made throughout the Registration Statement including to "Management's Discussion and Analysis of Financial Condition and Results of Operations — Liquidity and Capital Resources" to address this comment. Specifically, in the third paragraph of "Prospectus Summary — Cinemark Holdings, Inc. — Our Company" on page 1 the Company has added a sentence to disclose the dollar amount of the Company's long-term debt at December 31, 2006, including the dollar amount and the percentage of the Company's debt which accrues at variable rates, and in "Prospectus Summary — Non-GAAP Financial Measures and Reconciliations" on page 10, the Company disclosed its use of Adjusted EBITDA to monitor compliance with financial covenants in the indenture governing its senior discount notes. In addition, in "Management's Discussion and Analysis of Financial Condition and Results of Operations — Liquidity and Capital Resources — Financing Activities" on page 47, the Company added a table summarizing the components of the Company's long-term debt as well as a paragraph that discloses, among other things, the Company's available borrowing capacity under its revolving credit facility and interest costs. The Company has also added disclosure regarding covenant compliance under the subheading "Covenant Compliance" on page 53 and regarding its debt ratings under the subheading "Ratings" on page 54.

31. **Comment.** *Please revise your disclosure of operating activities to discuss factors that significantly affected operating cash flows, including the underlying reasons that lead to the changes in these factors.*

Response. As requested by the Staff's comment, revisions have been made to "Management's Discussion and Analysis of Financial Condition and Results of Operations — Liquidity and Capital Resources — Operating Activities" on pages 45 and 46 to discuss factors that significantly affected operating cash flows, including the underlying reasons that lead to the changes in these factors.

32. **Comment.** *Please revise to disclose that operating cash flows benefit in periods in which interest on your senior discount notes accretes and is unpaid and is reduced in periods in which accreted interest is subsequently paid.*

Response. As requested by the Staff's comment, revisions have been made to "Management's Discussion and Analysis of Financial Condition and Results of Operations — Liquidity and Capital Resources — Operating Activities" on page 46 to disclose that operating cash flows benefit in periods in which interest on the Company's 9 3/4% senior discount notes due 2014 accretes and is unpaid and is reduced in periods in which accreted interest is subsequently paid.

33. **Comment.** *We note that you experienced a net loss for fiscal year 2005. Please clarify, here or in Business, what factors caused this loss and what you are doing or plan to do to reverse this trend.*

Response. As requested by the Staff's comment, revisions have been made to "Management's Discussion and Analysis of Financial Condition and Results of Operations — Liquidity and Capital Resources — Operating Activities" on page 46 to address the factors that caused the Company to experience net losses for two of its last three fiscal years and the factors that will impact this trend.

<u>Business, page 54</u>

<u>General</u>

34. **Comment.** *In an appropriate place in this section, please provide a brief summary of the material terms of the MDA Merger, as discussed on page ii. Refer to Item 101(a) of Regulation S-K.*

Response. As requested by the Staff's comment, the fourth paragraph under "Business" on page 57 has been added to provide a brief summary of the material terms of the MDP Merger and "Management's Discussion and Analysis of Financial Condition and Results of Operations — Overview" on page 32 also refers to material terms of the MDP Merger.

35. **Comment.** *You state that you operate as a single business segment. However, in light of the fact that you have international operations as well as operate both discount and high end theaters in North America, it appears that you may have multiple operating segments, which would qualify for separate reporting. As such, if applicable, please tell us how you applied the aggregation criteria under paragraph 17 and 18 of SFAS #131 to these operating segments. If you believe that these operations are not separate operating segments, please provide us with a detailed analysis supporting your conclusion.*

Response. The Company's response with respect to its historical reporting and current views regarding segment reporting is set forth below.

<u>Summary</u>

The Company believes that its application of the aggregation criteria under paragraphs 17 and 18 of SFAS #131 to report as a single business segment was appropriate for the Company's historical periods 2005 and prior. However, as a result of the Century acquisition in the fourth quarter of 2006, the Company reassessed its aggregation criteria. Due to the change in economic characteristics of the Company's U.S. operating segment compared to the Company's international operating segment at December 31, 2006, the Company will have two reportable operating segments, U.S. and international. Accordingly, the Registration Statement has been updated with 2006 annual financial information which reflects two reportable segments. The segment disclosures have been recast for all periods presented. The Company does not believe that segment reporting is appropriate with respect to the operation of discount theatres. Please see the discussion below.

Analysis — International and U.S. Operations

The Company's chief operating decision maker ("***CODM***") is its chief executive officer ("***CEO***") who oversees the Company's worldwide operations. The CEO is responsible for allocating resources to and assessing the performance of the segments in the business. The CEO has four direct reports: the President of U.S. Operations, who is responsible for the operations and building of the Company's theatres in the U.S.; the International President who is responsible for the Company's Latin American theatres; the Chief Financial Officer ("***CFO***") who is responsible for the finance, accounting and tax functions of both operating segments; and the General Counsel who is responsible for the legal affairs of both operating segments. The CEO and each of the presidents have significant history in the theatre business.

In accordance with paragraphs 10-14 of SFAS #131, the Company has determined it has two operating segments consisting of a United States operating segment and an international operating segment. The Company's segment managers are its U.S. President and International President.

The CEO primarily manages the business through an informal process in which he is provided reports that summarize the Company's financial results on a consolidated basis, on a United States comparative basis and an international comparative basis. The respective presidents periodically review the operations of the U.S. and international segments with the CEO on a formal and informal basis and the CFO provides updates on financial performance. Functions for both U.S. and international operations are located in the Company's corporate office in Plano, Texas, where there is considerable overlap of functions within the U.S. and international operations, with department heads responsible for worldwide concessions, purchasing, accounting, finance, IT, tax and legal. Please see the enclosed Exhibit Binder — Exhibit C for a chart depicting the reporting structure under the Company's CEO. Company management has focused on generating a return on investment and results of the investment and operations are primarily measured by Adjusted EBITDA margins. At the regional operating level, the Company generally divides operations geographically. The review of regional operating results are generally performed by the managers of operations, who are two levels below the CEO. The CEO has access to varying levels of analysis primarily utilized by these lower levels of management.

The Company has historically aggregated the financial results of its U.S. and international segments into one combined reporting segment (motion picture exhibitor segment) in accordance with the aggregation criteria of paragraph 17 of SFAS #131. Specifically, the Company's U.S. and international operations have historically satisfied the following aggregation criteria of paragraph 17 of SFAS #131:

(1) The nature of the products and services between all Company theatres are similar as the primary source of revenues is generated from box office admissions. The commercial viability of an individual film varies by theatre (depending on theatre location), demographics, type of film, number of available film prints and screens. A theatre may show a Hollywood blockbuster on 4 screens, while concurrently showing an art film, foreign film, R-rated film, G-rated film and PG or PG-13-rated films. The Company plays the same films throughout its entire circuit. The Vice Presidents of film booking for the U.S. and international operations are located at the corporate office.

Concession sales are the second largest source of revenues. There is one manager of concessions that oversees both U.S. and international sales and purchases. The Company utilizes common vendors and products throughout its entire circuit. The Company offers soft drinks, popcorn and candy. The same type of equipment, production process and products generate the Company's concessions revenues worldwide.

(2) The nature of the production process among all Company theatres is similar in that (a) all film is procured from the major movie studios; (b) they all play the films on screen; (c) they all procure concession products from large concession distributors; and (d) they all sell concession products from concession counters located in the theatre lobbies. The expertise of the U.S. operations team is utilized throughout the Company's worldwide operations in negotiating for film licensing, construction purchasing for new and remodeled theatres and concessions purchasing. Movies are advertised by the film distributors both in the U.S. and internationally. The Company is not responsible for any significant advertising costs other than placing showtimes in local newspapers.

(3) The type (or class) of customer for the Company's products and services is similar. The customers represent individual patrons with an interest in viewing movies in large format viewing venues. The Company has multiple showtimes at all theatres and admissions prices vary depending on the time of day and day of the week to attract a diverse group of customers with varying income levels.

(4) The methods used to distribute products and services at the Company's theaters are similar across all theatres (films shown by projectors, concessions sold behind standard concession counters in the lobbies, screen advertising shown via digital projectors).

(5) Although the regulatory environments may differ between U.S. and international operating segments, the regulatory environments have not had a significant impact on the Company's management and operation of the business to date.

Additionally, capital decisions are approved by the CODM on a project by project basis whether it is a U.S. or international project in an effort to obtain the highest return available at a prospective real estate site. The projects are presented by the international president and international real estate director or the U.S. president and U.S. real estate director. Management utilizes the same return on investment ("***ROI***") requirements for all projects before approving a new site regardless of location in the U.S. or foreign country. Only those sites that are expected to generate a targeted ROI are pursued.

Similarity of Economic Characteristics

The Company's U.S. and international segments have similar economic characteristics as reflected by the similar financial performance of both operating segments. Presented in the table below for the last four audited fiscal years is a summary of the two operating segments' Adjusted EBITDA margin, the primary measure used by the CODM and management to evaluate performance, return on investments and required return on future acquisitions. The Adjusted EBITDA margin reflects the level of leverage inherent in the operations and the potential exposure to variability of profitability in both strong and weak years.

Adjusted EBITDA Margins

	U.S.	International
2003	22.4%	21.1%
2004	22.6%	21.7%
2005	20.6%	20.5%
2006	23.3%	18.8%

Prior to the Company's re-evaluation of these segments in 2006, these segments maintained similar economic characteristics. However, segment Adjusted EBITDA margin differences have started to widen in 2006. With the acquisition of Century theatres and the opportunity to improve operating efficiencies in the U.S., the Company believes this trend may continue. As a result, the Company believes it is appropriate to report two reportable segments, U.S. and international. The Company's current year SEC filings will include a presentation of the two segments for the current year and prior years presented.

Analysis — Discount and First-Run Theatres

The Company operates some discount theatres in the United States. In the 1980's, the Company originally built these theatres to offer a discounted price as an alternative to first-run theatres. The last discount theatre built and opened as a discount theatre was in 1995. The decision to discontinue this development was a result of market trends and the introduction of stadium-style theatres. Discount theatres are maintained today, primarily as a result of a strategic market evaluation (i.e., review of building new theatres and closing older theatres in an existing market). Rather than close an existing first-run theatre in a select market in which the Company maintains a number of first-run theatres, the Company evaluates the competitive risk to its existing and new theatres and determines whether the market and film product allocation can be optimized by continuing to operate the theatre in question at a discounted box office price. Because these theatres are strategic to the Company's first run theatres performance, the CODM evaluates discount theatres with all other U.S. theatres. The discount theatres are managed by the U.S. President. Accordingly, the Company does not recognize discount theatres and first-run theatres as separate segments of its business, but rather they are included within the U.S. operating segment. The relative contribution to Adjusted EBITDA of discount theatres is minimal. The Adjusted EBITDA of the Company's discount theatres for each of the years 2004, 2005 and 2006 has continued to decline to less than 6% of the Company's U.S. segment and is expected to be less than 4% in 2007 as a result of the Century acquisition.

36. **Comment.** *Please provide the financial information about geographic areas required by Item 101(d)(1) of Regulation S-K.*

Response. The financial information required by Item 101(d)(1) of Regulation S-K promulgated under the Securities Act has been added to "Business — Financial Information About Geographic Areas" on pages 69 and 70 to address this comment.

Participation in National CineMedia, page 55

37. **Comment.** *Please revise your disclosures to address the restrictions on the use of cash received from the National CineMedia IPO.*

Response. Previously, the only restriction on the use of cash proceeds received from the NCM, Inc. IPO was a covenant in the Company's new senior secured credit facility that required that the Company prepay loans under the new senior secured credit facility in an amount equal to the amount of the net cash proceeds received from the NCM, Inc. IPO. The prepayment was to have been due not later than 360 days after the Company's receipt of the proceeds. However, in March 2007, the Company amended the new senior secured credit facility to remove this covenant. Consequently, no restriction on the use of cash currently exists. The Company expects to use the net proceeds received by the Company from the NCM, Inc. IPO to fund the repurchase of the 9% senior subordinated notes of Cinemark USA, Inc. The Company has added disclosure regarding the amendment of the new senior secured credit facility to "Prospectus Summary — Recent Developments — Amendments to Credit Agreement" on page 5, "Management's Discussion and Analysis of Financial Condition and Results of Operations — Recent Developments — Amendments to Credit Agreement" on page 37 and "Management's Discussion and Analysis of Financial Condition and Results of Operations — Liquidity and Capital Resources — New Senior Secured Credit Facility" on pages 51 and 52.

Film Licensing, page 60

38. **Comment.** *Please provide the range of admission prices for your first-run theatres, as you do for your discount theatres on page 61.*

Response. The Company has deleted the reference to the range of admission prices for discount theatres and does not believe that the range of admission prices is material. Because the Company's discount theatres account for approximately 5% of revenues and no major differences exist in connection with the operation of the discount theatres, the Company does not believe a discussion of the discount theatres is material. Accordingly, the Company has removed the discussion regarding the discount theatres.

39. **Comment.** *You indicate on page 61 that your discount theatres "offer many of the same amenities as our first-run theatres." Please describe any major differences, such as the lack of stadium seating, if applicable. In addition, in a suitable place in the business section, please discuss your preference for one method of distribution over the other both in general and within any particular market. In addition, if discount theatres account for 10% or more of consolidated revenue in any of the last three fiscal years, provide the amount or percentage of total revenue contributed by such theatres for that period. Refer to Item 101(c)(1)(i) of Regulation S-K.*

Response. Because the Company's discount theatres account for approximately 5% of revenues (which the Company expects to decline as a result of the Century acquisition) and no major differences exist in connection with the operation of the discount theatres, the Company does not believe a discussion of the discount theatres is material. Accordingly, the Company has removed the discussion regarding the discount theatres. Please also see the response to comment number 35 above with respect to additional information regarding the lack of material distinctions between the operations of the discount theatres and first-run theatres.

<u>Marketing, page 62</u>

40. **Comment.** *Please describe the status of your efforts to install digital equipment "in the majority of our theatres," as you indicate at the bottom of page 62. In addition, on page 46 you indicate that your efforts in this regard are ongoing, while on page F-44 you indicate that you have fulfilled your obligations for instillation of digital equipment. Please revise your disclosure to reconcile or advise.*

Response. Upon joining NCM, the Company installed digital equipment in its theatres for use in connection with digital advertising. The installation of digital equipment was completed in 2006. Subsequent to the acquisition of Century, the Company commenced installing digital equipment for use in connection with digital advertising in the acquired theatres. The Company removed the language regarding the installation of digital equipment from "Business — Marketing." The status of the company's efforts to install digital equipment is discussed in the third paragraph of Note 6 on page F-19 of the consolidated financial statements.

<u>Management, page 67</u>

41. **Comment.** *Please indicate any other directorships held by each director, including Messrs. Chereskin, Perry, Selati, Dombalagian, and Ezersky. Refer to Item401(e)(2) of Regulation S-K.*

Response. As required by Item 401(e)(2) of Regulation S-K, in the "Management" section on pages 72, 73 and 74, the Company has disclosed other directorships held by all of its directors in any company with a class of securities registered pursuant to Section 12 of the Securities Exchange Act of 1934, as amended (the "***Exchange Act***").

Our Board of Directors and Committees, page 69

42. **Comment.** *You indicate that you expect one member of the audit committee to qualify as an audit committee financial expert. Please disclose the name of that expert, if known. Refer to Item 401(h)(1)(ii) of Regulation S-K.*

Response. The identity of the director that will serve as the audit committee financial expert is not yet known. As requested by the Staff's comment, once known, the identity of the director that will serve as the audit committee financial expert will be disclosed.

Compensation Committee Interlocks and Insider Participation, page 70

43. **Comment.** *Please identify each person who served as a member of the compensation committee during the last completed fiscal year. Refer to Item407(e)(4) of Regulation S-K.*

Response. As requested by the Staff's comment, revisions have been made to "Management — Compensation Committee Interlocks and Insider Participation" on page 75 to disclose that Mr. Chereskin served as the only member of the Company's compensation committee during 2006.

Director Compensation Table, page 79

44. **Comment.** *Please tell us why you made a cash payment of $219,746 to Mr. Senior on January 19, 2007.*

Response. Mr. Senior was elected to the Board of Directors of Cinemark, Inc. in July 2004 as part of the MDP Merger. Mr. Senior is currently the only independent member of the Board of Directors who is not affiliated with a stockholder. In 2006, the Company reached a verbal agreement with Mr. Senior to pay him approximately $100,000 per year for past and current services. The entire payment amount for services to date of $219,746 was accrued at December 31, 2006. Mr. Senior will be compensated the same as other independent board members following the initial public offering pursuant to a formal compensation policy relating to the Company's independent board members to be adopted by the Company.

Principal and Selling Shareholders, page 81

45. **Comment.** *Please disclose the nature of any position, office, or other material relationship which each selling shareholder has had within the past three years with the registrant or any of its predecessors or affiliates. Refer to Item 507 of Regulation S-K.*

Response. Once the selling stockholders have been identified, the Company will provide the disclosure required by Item 507 of Regulation S-K.

46. **Comment.** *Please revise your disclosure to provide beneficial ownership as required by Item 403 of Regulation S-K and Exchange Act Rule 13d-3(d)(1). In that regard, please disclose the*

ownership of K&E Investment Partners, L.P. — 2004-B DIF referenced in footnote (1). It is not appropriate to indicate an entity as being the beneficial owner of interests in your company without disclosing the ownership of such entity.

Response. The Company respectfully acknowledges the Staff's comment, but does not believe such additional disclosure is necessary in light of the facts. K&E Investment Partners, LP — 2004-B DIF ("***KIP***") is being disclosed in a footnote to the "Principal and Selling Stockholders" table solely as a result of having granted Madison Dearborn Capital Partners IV, LP ("***MDCP***") a perpetual and irrevocable proxy to vote KIP's shares in the Company. MDCP currently owns approximately 66.3% of the total outstanding common stock of the Company; whereas KIP only owns approximately 0.1%. KIP is not owned or controlled by MDCP. In fact, KIP has approximately 147 limited partners and no single partner has control over KIP. The persons with voting and dispositive power over MDCP's shares in the Company (and KIP's proxy) are disclosed in footnote 9 to the "Principal and Selling Stockholders" table. The Company has added a "(9)" next to MDCP's name in the table on page 87, but no other changes have been made to that table in response to the Staff's comment.

47. **Comment.** *Please disclose the transactions pursuant to which the selling shareholders received their shares.*

Response. At this time, the identity of all of the selling stockholders has not been determined. This information will be added with the identification of the selling stockholders.

48. **Comment.** *It does not appear that any of the selling stockholders are registered broker-dealers. Please confirm. In addition, please tell us whether any of the selling stockholders are affiliates of broker-dealers.*

Response. Once all of the selling stockholders have been identified, the Company will confirm whether any of the selling stockholders are registered broker-dealers or are affiliates of broker-dealers.

Certain Agreements, page 83

49. **Comment.** *Please include the contracts referenced in this section as exhibits in your next amendment, or advise. Refer to Item601(b)(10)(1)(ii)(A) of Regulation S-K.*

Response. The Company has filed all of the referenced agreements as exhibits other than the leases for 25 theatres and two parking facilities with Syufy Enterprises, L.P. and one theatre lease with Plitt Plaza Joint Venture (collectively, the "***Leases***"). The Company has not filed the Leases as exhibits because (a) the Company has determined that none of such Leases are material agreements and (b) none of such Leases are contracts to which directors, officers, promoters, voting trustees, security holders named in the Registration Statement or underwriters are parties. The Company respectfully acknowledges the Staff's comment, but does not believe that the Leases are required to be filed as exhibits in light of the foregoing.

Common Stock, page 87

50. **Comment.** *The second-to-last sentence, which says that all shares now outstanding are, and those to be issued in this offering will be, fully paid and non-assessable, is a legal conclusion which you are not qualified to make. Either delete the sentence or attribute it to a law firm and file a consent in the next amendment.*

Response. As requested by the Staff's comment, the second-to-last sentence of "Description of Capital Stock — Common Stock" on page 93 has been deleted.

Underwriting, page 94

51. **Comment.** *Please expand this section to disclose that the selling shareholders may be deemed to be underwriters with respect to the shares they are offering for resale.*

Response. As requested by the Staff's comment, revisions have been made to "Underwriting — Commissions and Expenses" on page 100 to disclose that the selling stockholders may be deemed to be underwriters with respect to the shares they are offering for resale.

Relationships, page 98

52. **Comment.** *Please revise to disclose whether the arrangements you describe in this section may be considered a conflict of interest under the NASD's rules or advise.*

Response. The Company is not aware, after due inquiry, of any conflicts of interest in the offering under the NASD's rules at this time. If the Company determines that such a conflict of interest exists, the Company will revise the Registration Statement accordingly.

Consolidated Financial Statements as December 31, 2005

General

53. **Comment.** *While we understand that Cinemark Holdings, Inc. is technically a new reporting company, its consolidated financial statements at December 31, 2005 are, in all material respects, those of Cinemark, Inc. and subsidiaries, a publicly registered company under Section 13 or 15(d) of the Securities Exchange Act of 1934. As such, in order to ensure that investors receive sufficient information regarding all of the facts and circumstances surrounding the IPO, please expand Note 3 to describe, in significant detail, the circumstances surrounding your decision to apply push down accounting instead of historical cost and the impact it had on previously filed financial statements (e.g. your equity has increased significantly and results of operations have significantly decreased due to the impairment of goodwill). In addition, please tell us whether you intend to apply push down accounting to the financial statements of your public subsidiaries.*

Response. As requested by the Staff's comment, revisions have been made to Note 3 to the Company's consolidated financial statements on pages F-13 and F-14. As noted in the Staff's comment, Cinemark, Inc., the Company's wholly-owned subsidiary, is an SEC registrant due to its outstanding public debt. In accordance with push-down accounting rules, the Company's adjusted accounting basis will be pushed down and prospectively reflected in Cinemark, Inc.'s consolidated financial statements as of the date of the Cinemark Share Exchange, October 5, 2006. These changes will be reflected in the Cinemark, Inc. 2006 Annual Report on Form 10-K. Additionally, the Company would like to refer the Staff to Cinemark, Inc.'s filing on Form 8-K/A, dated February 1, 2007, which included unaudited pro forma financial statements reflecting the impact of the accounting basis changes resulting from this push-down accounting.

As discussed in Note 26, "Subsequent Event — Long Term Debt" on page F-47, the Company's subsidiary, Cinemark USA, Inc., commenced a tender offer for its 9% senior subordinated notes. The Company believes completion of the tender offer will eliminate the reporting requirement of Cinemark USA, Inc. as of December 31, 2006.

54. **Comment.** *The financial statements should be updated, as necessary, to comply with Article 3-12 of Regulation S-X, at the effective date of the Registration Statement. Due to the significant nature of this update, please be aware that we may require a significant amount of time to review your updated financial statements once we receive them.*

Response. Audited financial statements of the Company for the year ended December 31, 2006 have been added to the Registration Statement and interim financial statements have been removed. The Company intends to update financial statements as necessary through the effective date of the Registration Statement.

<u>Consolidated Statements of Operations, page F-4</u>

55. **Comment.** *Please revise to remove the "total cost of operations" caption, and any discussion thereof, as this sub-total does not include all operating costs.*

Response. The Company has deleted the previous subtotal "total cost of operations" and included all of its other operating costs such as general and administrative expenses, depreciation and amortization, impairment of long-lived assets, gain/loss on disposal of assets and other in a revised total called "total cost of operations" on page F-4 and other statements of operations set forth in the Registration Statement.

Note 1 — Summary of Significant Accounting Policies

Theater Properties and Equipment, page F-8

56. **Comment.** *Please revise to disclose balances of major classes of depreciable assets and land.*

Response. As requested by the Staff's comment, the Company has made revisions to the face of its balance sheet on page F-3.

Revenues and Expense Recognition, page F-9

57. **Comment.** *Please revise to disclose amounts of revenue recognized on unredeemed gift cards and other advance sale-type certificates for which the likelihood of redemption became remote.*

Response. The Company recognized unredeemed gift cards and other advance sale-type certificates as revenue in the amount of $233,000, $3,285,000, $3,374,000 and $4,421,000 during the period from January 1, 2004 to April 1, 2004, the period from April 2, 2004 to December 31, 2004 and the years ended December 31, 2005 and 2006, respectively. As requested by the Staff's comment, revisions have been made to "Revenue and Expense Recognition" under Note 1 to the Company's consolidated financial statements on page F-10.

Condensed Consolidated Financial Statements as of September 30, 2005

Note 3 — Investment in National CineMedia, page F-44

58. **Comment.** *We note that National CineMedia intends to distribute the net proceeds from its IPO to its current owners in connection with modifying payment obligations for network access. Please tell us the nature and terms of this payment modification and how you plan to account for it.*

Response. The initial public offering of NCM, Inc. occurred in February 2007, during the Company's first quarter of fiscal year 2007. Preliminarily, the Company believes that the value received from NCM relating to the modification of the agreement should be accounted for as deferred revenue to be amortized on a units of revenue method. With respect to the value received from NCM related to the sale of units, the Company plans to reduce its investment basis to $0 and account for the additional proceeds as a gain. However, the Company has not completed its final analysis of the transactions including review of the transactions with its auditors. The NCM transactions represent a Type II subsequent event. Revisions have been made to the consolidated financial statements that disclose the nature and terms of the modifications and proceeds received (Note 6 on page F-19 and Note 24 on page F-46).

Note 6 — Early Retirement of Long-Term Debt, page F-47

59. **Comment.** *With respect to your 9³/₄% senior discount notes, a portion of which were redeemed in May 2006, it is unclear whether you classified repayments of accreted interest at the date of redemption in your statement of cash flows as an operating activity pursuant to paragraph 23(d) of SFAS #95. Please advise us supplementally of your classification and the amount of accreted interest repaid.*

Response. The Company classified the accreted value of the 9³/₄% senior discount notes retired of $30.3 million, which included approximately $5.3 million of accreted interest, as cash flows used for financing activities in its statement of cash flows for the unaudited interim financial statements for the nine-month period ended September 30, 2006 included in the initial Registration Statement filed by the Company on February 1, 2007. The Company's subsidiary, Cinemark, Inc., classified the accreted interest that was paid in the same manner in its unaudited interim financial statements for the six and nine-month periods ended June 30, 2006 and September 30, 2006.

After further evaluation, the Company believes that it incorrectly classified the accreted interest as a financing cash flow activity. The Company evaluated the error quantitatively and qualitatively and believes the Company should correct the error as follows:

- The Company has appropriately classified the accreted interest payment as an operating cash flow activity in the year-ended December 31, 2006 consolidated financial statements of Cinemark Holdings, Inc. filed in the Amendment.
- Cinemark, Inc. will appropriately classify the accreted interest payment as an operating cash flow activity in the consolidated financial statements for the year-ended December 31, 2006 to be filed on Form 10-K for Cinemark, Inc. Cinemark, Inc. will make the appropriate disclosure about the error that exists within the historical interim statement of cash flows for 2006 second quarter and third quarter interim financial statements on Form 10-Q.
- As part of filing the Cinemark, Inc. 2007 second quarter and third quarter interim consolidated financial statements on Form 10-Q, Cinemark, Inc. will correct the 2006 presentation and will appropriately disclose the correction to the 2006 period.

If you have any questions with respect to the foregoing, please call the undersigned at (214) 969-2870.

Sincerely,

AKIN GUMP STRAUSS HAUER & FELD LLP

By: Terry M. Schpok, P.C., Partner

By: /s/ Terry M. Schpok
Terry M. Schpok, President

TMS/klf

cc: Joshua Ravitz, Securities and Exchange Commission
Juan Migone, Securities and Exchange Commission
Lyn Shenk, Securities and Exchange Commission
Michael D. Cavalier, Cinemark Holdings, Inc.
D. Rhett Brandon, Simpson Thacher & Bartlett LLP