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

FORM 10-Q

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

For the quarterly period ended June 30, 2008

Commission File Number: 001-33401

CINEMARK HOLDINGS, INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation or organization)

20-5490327
(I.R.S. Employer
Identification No.)

3900 Dallas Parkway
Suite 500
Plano, Texas
(Address of principal executive offices)

75093
(Zip Code)

Registrant's telephone number, including area code: (972) 665-1000

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes No

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

Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company
(Do not check if a smaller reporting company)

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes No

As of July 31, 2008, 107,455,096 shares of common stock were outstanding.

CINEMARK HOLDINGS, INC. AND SUBSIDIARIES
TABLE OF CONTENTS

	Page
<u>PART I. FINANCIAL INFORMATION</u>	
<u>Item 1. Financial Statements</u>	
<u>Condensed Consolidated Balance Sheets as of June 30, 2008 and December 31, 2007 (unaudited)</u>	4
<u>Condensed Consolidated Statements of Income for the three and six months ended June 30, 2008 and 2007 (unaudited)</u>	5
<u>Condensed Consolidated Statements of Cash Flows for the six months ended June 30, 2008 and 2007 (unaudited)</u>	6
<u>Notes to Condensed Consolidated Financial Statements (unaudited)</u>	7
<u>Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations</u>	24
<u>Item 3. Quantitative and Qualitative Disclosures About Market Risk</u>	38
<u>Item 4T. Controls and Procedures</u>	39
<u>PART II. OTHER INFORMATION</u>	
<u>Item 1. Legal Proceedings</u>	40
<u>Item 1A. Risk Factors</u>	40
<u>Item 4. Submission of Matters to a Vote of Security Holders</u>	40
<u>Item 6. Exhibits</u>	41
<u>SIGNATURES</u>	42
<u>Employment Agreement-Alan Stock</u>	
<u>Employment Agreement- Robert Copple</u>	
<u>Employment Agreement- Tim Warner</u>	
<u>Employment Agreement- Michael Cavalier</u>	
<u>Termination Agreement- Tandy Mitchell</u>	
<u>Certification of CEO Pursuant to Section 302</u>	
<u>Certification of CFO Pursuant to Section 302</u>	
<u>Certification of CEO Pursuant to Section 906</u>	
<u>Certification of CFO Pursuant to Section 906</u>	

Cautionary Statement Regarding Forward-Looking Statements

Certain matters within this Quarterly Report on Form 10Q include “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. All statements included in this Form 10Q, other than statements of historical fact, may constitute forward-looking statements. Forward-looking statements can be identified 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. Forward-looking statements may involve known and unknown risks, uncertainties and other factors that may cause the actual results or performance to differ from those projected in the 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. For a description of the risk factors, please review the “Risk Factors” section or other sections in the Company’s Annual Report on Form 10-K filed March 28, 2008 and quarterly reports on Form 10-Q, filed with the Securities and Exchange Commission. All forward-looking statements are expressly qualified in their entirety by such risk factors. We undertake no 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.

PART I — FINANCIAL INFORMATION

Item 1. Financial Statements

CINEMARK HOLDINGS, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED BALANCE SHEETS
(in thousands, except share data, unaudited)

	<u>June 30, 2008</u>	<u>December 31, 2007</u>
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 396,270	\$ 338,043
Inventories	8,195	7,000
Accounts receivable	33,353	35,368
Income tax receivable	—	18,339
Current deferred tax asset	5,441	5,215
Prepaid expenses and other	7,194	10,070
Total current assets	<u>450,453</u>	<u>414,035</u>
THEATRE PROPERTIES AND EQUIPMENT		
Less accumulated depreciation and amortization	1,890,966	1,818,505
Theatre properties and equipment — net	<u>588,586</u>	<u>504,439</u>
	1,302,380	1,314,066
OTHER ASSETS		
Goodwill	1,148,487	1,134,689
Intangible assets — net	351,832	353,047
Investments in and advances to affiliates	22,058	3,662
Deferred charges and other assets — net	57,831	77,393
Total other assets	<u>1,580,208</u>	<u>1,568,791</u>
TOTAL ASSETS	<u>\$ 3,333,041</u>	<u>\$ 3,296,892</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Current portion of long-term debt	\$ 12,770	\$ 9,166
Current portion of capital lease obligations	5,203	4,684
Income tax payable	3,763	—
Accounts payable and accrued expenses	203,676	204,472
Total current liabilities	<u>225,412</u>	<u>218,322</u>
LONG-TERM LIABILITIES		
Long-term debt, less current portion	1,517,877	1,514,579
Capital lease obligations, less current portion	121,601	116,486
Deferred income taxes	154,872	168,475
Long-term portion FIN 48 liability	16,490	15,500
Deferred lease expenses	21,444	19,235
Deferred revenue — NCM	190,823	172,696
Other long-term liabilities	33,634	36,214
Total long-term liabilities	<u>2,056,741</u>	<u>2,043,185</u>
COMMITMENTS AND CONTINGENCIES (see Note 19)		
MINORITY INTERESTS IN SUBSIDIARIES	18,296	16,182
STOCKHOLDERS' EQUITY		
Common stock, \$0.001 par value: 300,000,000 shares authorized and 106,983,684 shares issued and outstanding at December 31, 2007 and 107,457,584 shares issued and outstanding at June 30, 2008	107	107
Additional paid-in-capital	942,038	939,327
Retained earnings	29,225	47,074
Accumulated other comprehensive income	61,222	32,695
Total stockholders' equity	<u>1,032,592</u>	<u>1,019,203</u>
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	<u>\$ 3,333,041</u>	<u>\$ 3,296,892</u>

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

CINEMARK HOLDINGS, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(in thousands, unaudited)

	Three months ended June 30,		Six months ended June 30,	
	2008	2007	2008	2007
REVENUES				
Admissions	\$ 294,425	\$ 283,117	\$ 556,792	\$ 527,107
Concession	141,474	138,448	263,631	253,535
Other	21,335	18,471	37,827	37,416
Total revenues	<u>457,234</u>	<u>440,036</u>	<u>858,250</u>	<u>818,058</u>
COST OF OPERATIONS				
Film rentals and advertising	163,799	159,084	301,939	287,378
Concession supplies	23,205	22,668	41,954	40,125
Salaries and wages	45,321	45,444	87,908	85,626
Facility lease expense	56,124	53,253	112,446	104,898
Utilities and other	50,411	48,219	98,576	92,412
General and administrative expenses	24,495	18,381	45,067	37,114
Termination of profit participation agreement	—	6,952	—	6,952
Depreciation and amortization	37,840	36,720	75,247	73,595
Amortization of favorable leases	699	625	1,403	1,559
Impairment of long-lived assets	1,342	7,036	5,829	56,766
(Gain) loss on sale of assets and other	1,109	(1,864)	910	(1,559)
Total cost of operations	<u>404,345</u>	<u>396,518</u>	<u>771,279</u>	<u>784,866</u>
OPERATING INCOME	52,889	43,518	86,971	33,192
OTHER INCOME (EXPENSE)				
Interest expense	(30,061)	(35,301)	(62,134)	(76,798)
Interest income	2,940	4,454	6,684	8,237
Gain on NCM transaction	—	—	—	210,773
Gain on Fandango transaction	—	9,205	—	9,205
Foreign currency exchange gain (loss)	(24)	(57)	(240)	163
Loss on early retirement of debt	—	(123)	(40)	(7,952)
Distributions from NCM	3,403	1,362	8,585	1,362
Equity in loss of affiliates	(692)	(265)	(1,327)	(1,496)
Minority interests in income of subsidiaries	(1,092)	(606)	(2,244)	(895)
Total other income (expense)	<u>(25,526)</u>	<u>(21,331)</u>	<u>(50,716)</u>	<u>142,599</u>
INCOME BEFORE INCOME TAXES	27,363	22,187	36,255	175,791
Income taxes	11,840	(25,683)	15,481	9,710
NET INCOME	<u>\$ 15,523</u>	<u>\$ 47,870</u>	<u>\$ 20,774</u>	<u>\$ 166,081</u>
WEIGHTED AVERAGE SHARES OUTSTANDING				
Basic	<u>107,141</u>	<u>102,950</u>	<u>106,982</u>	<u>97,784</u>
Diluted	<u>109,467</u>	<u>105,292</u>	<u>109,178</u>	<u>100,123</u>
NET EARNINGS PER SHARE				
Basic	<u>\$ 0.14</u>	<u>\$ 0.46</u>	<u>\$ 0.19</u>	<u>\$ 1.70</u>
Diluted	<u>\$ 0.14</u>	<u>\$ 0.45</u>	<u>\$ 0.19</u>	<u>\$ 1.66</u>

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

CINEMARK HOLDINGS, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands, unaudited)

	Six months ended June 30,	
	2008	2007
OPERATING ACTIVITIES		
Net income	\$ 20,774	\$ 166,081
Adjustments to reconcile net income to cash provided by operating activities:		
Depreciation	73,244	71,566
Amortization of intangible and other assets	3,406	3,588
Amortization of long-term prepaid rents	829	511
Amortization of debt issue costs	2,338	2,363
Amortization of debt premium	—	(678)
Amortization of deferred revenues, deferred lease incentives and other	(1,748)	(875)
Impairment of long-lived assets	5,829	56,766
Share based awards compensation expense	2,078	1,449
Gain on NCM Transaction	—	(210,773)
Gain on Fandango Transaction	—	(9,205)
(Gain) loss on sale of assets and other	910	(1,559)
Write-off of unamortized bond premiums and unamortized debt issue costs related to the early retirement of debt	193	(17,098)
Accretion of interest on senior discount notes	20,039	21,150
Deferred lease expenses	2,146	3,311
Deferred income tax expenses	(14,506)	(126,443)
Equity in loss of affiliates	1,327	1,496
Minority interests in income of subsidiaries	2,244	895
Changes in assets and liabilities:		
Inventories	(1,195)	(728)
Accounts receivable	2,015	(2,256)
Prepaid expenses and other	2,876	300
Other assets	(4,778)	(2,144)
Advances with affiliates	223	250
Accounts payable and accrued expenses	547	(21,070)
Interest paid on repurchased senior discount notes	(2,929)	—
Increase in deferred revenues related to NCM Transaction	—	174,001
Increase in deferred revenues related to Fandango Transaction	—	5,000
Other long-term liabilities	14	(5,171)
Income tax receivable/payable	23,092	55,867
Net cash provided by operating activities	<u>138,968</u>	<u>166,594</u>
INVESTING ACTIVITIES		
Additions to theatre properties and equipment	(51,916)	(73,148)
Proceeds from sale of theatre properties and equipment	2,224	13,915
Increase in escrow deposits due to like-kind exchange	(2,089)	—
Return of escrow deposits	23,439	—
Acquisition of one theatre	(5,011)	—
Investment in joint venture — DCIP	(1,000)	(1,500)
Net proceeds from sale of NCM stock	—	214,842
Net proceeds from sale of Fandango stock	—	11,347
Net cash provided by (used for) investing activities	<u>(34,353)</u>	<u>165,456</u>
FINANCING ACTIVITIES		
Net proceeds from initial public offering	—	245,978
Proceeds from stock option exercises	633	117
Dividends paid to stockholders	(38,598)	—
Repurchase of senior discount notes	(6,174)	—
Retirement of senior subordinated notes	—	(332,066)
Repayments of long-term debt	(4,050)	(7,200)
Payments on capital leases	(2,363)	(1,760)
Other	(340)	(208)
Net cash used for financing activities	<u>(50,892)</u>	<u>(95,139)</u>
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	<u>4,504</u>	<u>2,527</u>
INCREASE IN CASH AND CASH EQUIVALENTS	58,227	239,438
CASH AND CASH EQUIVALENTS:		
Beginning of period	338,043	147,099
End of period	<u>\$ 396,270</u>	<u>\$ 386,537</u>

SUPPLEMENTAL INFORMATION (See Note 16)

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

CINEMARK HOLDINGS, INC. AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

In thousands, except share and per share data

1. The Company and Basis of Presentation

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., Brazil, and Colombia during the six months ended June 30, 2008.

On August 2, 2006, Cinemark Holdings, Inc. was formed as the Delaware holding company of Cinemark, 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. (the “Century Acquisition”). On October 5, 2006, Cinemark, Inc. became a wholly owned subsidiary of Cinemark Holdings, Inc. On April 24, 2007, Cinemark Holdings, Inc. completed an initial public offering of its common stock.

The condensed consolidated financial statements have been prepared by the Company, without audit, according to the rules and regulations of the Securities and Exchange Commission. In the opinion of management, these interim financial statements reflect all adjustments necessary to state fairly the financial position and results of operations as of, and for, the periods indicated. Majority-owned subsidiaries that the Company controls are consolidated while those subsidiaries of which the Company owns between 20% and 50% and does not control are accounted for as affiliates under the equity method. Those subsidiaries of which the Company owns less than 20% are generally accounted for as affiliates under the cost method, unless the Company is deemed to have the ability to exercise significant influence over the affiliate, in which case the Company would account for its investment under the equity method. The results of these subsidiaries and affiliates are included in the condensed consolidated financial statements effective with their formation or from their dates of acquisition. Significant intercompany balances and transactions are eliminated in consolidation.

These condensed consolidated financial statements should be read in conjunction with the audited annual consolidated financial statements and the notes thereto for the year ended December 31, 2007, included in the Annual Report on Form 10-K filed March 28, 2008 by the Company under the Securities Exchange Act of 1934, as amended (the “Exchange Act”). Operating results for the six months ended June 30, 2008, are not necessarily indicative of the results to be achieved for the full year.

2. New Accounting Pronouncements

In September 2006, the Financial Accounting Standards Board (“FASB”) issued Statement of Financial Accounting Standards (“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 became effective for the Company beginning January 1, 2008 (January 1, 2009 for nonfinancial assets and liabilities). Adoption of this statement did not have a significant impact on the Company’s condensed consolidated financial statements.

In February 2007, the FASB issued SFAS No. 159, “*The Fair Value Option for Financial Assets and Financial Liabilities*”. This statement provides companies with an option to report selected financial assets and liabilities at fair value that are currently not required to be measured at fair value. SFAS No. 159 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 the Company beginning January 1, 2009. The Company has elected not to measure eligible items at fair value upon initial adoption. Adoption of this statement is not expected to have a significant impact on the Company’s condensed consolidated financial statements.

In December 2007, the FASB issued SFAS No. 141(R), “*Business Combinations*”. This statement requires all business combinations completed after the effective date to be accounted for by applying the acquisition method (previously referred to as the purchase method); expands the definition of transactions and events that qualify as business combinations; requires that the acquired assets and liabilities, including contingencies, be recorded at the fair value determined on the acquisition date and changes thereafter reflected in income, not goodwill; changes the recognition

CINEMARK HOLDINGS, INC. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

In thousands, except share and per share data

timing for restructuring costs; and requires acquisition costs to be expensed as incurred. Adoption of SFAS No. 141(R) is required for business combinations that occur after December 15, 2008. Early adoption and retroactive application of SFAS No. 141 (R) to fiscal years preceding the effective date is not permitted. The Company is evaluating the impact of SFAS No. 141(R) on its condensed consolidated financial statements.

In December 2007, the FASB issued SFAS No. 160, *“Noncontrolling Interest in Consolidated Financial Statements”*. This statement establishes new accounting and reporting standards for the noncontrolling interest in a subsidiary and for the deconsolidation of a subsidiary. Specifically, this statement requires the recognition of a noncontrolling interest (minority interest) as equity in the consolidated financial statements and separate from the parent’s equity. The amount of net income attributable to the noncontrolling interest will be included in consolidated net income on the face of the income statement. SFAS No. 160 clarifies that changes in a parent’s ownership interest in a subsidiary that do not result in deconsolidation are equity transactions if the parent retains its controlling financial interest. In addition, this statement requires that a parent recognize a gain or loss in net income when a subsidiary is deconsolidated. Such gain or loss will be measured using the fair value of the noncontrolling equity investment on the deconsolidation date. SFAS No. 160 also includes expanded disclosure requirements regarding the interests of the parent and its noncontrolling interest. SFAS No. 160 is effective for fiscal years, and interim periods within those fiscal years, beginning on or after December 15, 2008. Earlier adoption is prohibited. The Company is evaluating the impact of SFAS No. 160 on its condensed consolidated financial statements.

In March 2008, the FASB issued SFAS No. 161 *“Disclosures about Derivative Instruments and Hedging Activities-an Amendment of FASB Statement No. 133”*. This statement intends to improve financial reporting about derivative instruments and hedging activities by requiring enhanced disclosures about their impact on an entity’s financial position, financial performance, and cash flows. SFAS No. 161 requires disclosures regarding the objectives for using derivative instruments, the fair values of derivative instruments and their related gains and losses, and the accounting for derivatives and related hedged items. SFAS No. 161 is effective for fiscal years and interim periods beginning after November 15, 2008, with early adoption permitted. The Company’s adoption of SFAS No. 161 will not impact its condensed consolidated financial statements, however the Company is evaluating the impact of SFAS No. 161 on its disclosures.

In May 2008, the FASB issued SFAS No. 162, *“The Hierarchy of Generally Accepted Accounting Principles.”* This statement identifies the sources of accounting principles and the framework for selecting the principles used in the preparation of financial statements of nongovernmental entities that are presented in conformity with generally accepted accounting principles in the United States. The issuance of SFAS No. 162 is not expected to have a significant impact on the Company’s condensed consolidated financial statements.

3. Initial Public Offering

On April 24, 2007, the Company completed an initial public offering of its common stock. The Company and selling stockholders sold a combined 28,000,000 shares of their common stock at a price of \$17.955 (\$19 per share less underwriting discounts). The net proceeds, before expenses, received by the Company were \$249,375 and the Company paid approximately \$3,397 in legal, accounting and other fees during the six months ended June 30, 2007, all of which were recorded in additional paid-in-capital. On May 21, 2007, the underwriters purchased an additional 269,100 shares out of an additional 2,800,000 shares that were authorized for sale by the selling stockholders. The Company did not receive any proceeds from the sale of shares by the selling stockholders. The Company has utilized and expects to continue to utilize the net proceeds to repurchase a portion of the remaining 9³/₄% senior discount notes or repay debt outstanding under the senior secured credit facility. The Company has significant flexibility in applying the net proceeds from the initial public offering. The Company has invested the remaining net proceeds in short-term, investment-grade marketable securities or money market funds.

CINEMARK HOLDINGS, INC. AND SUBSIDIARIES
 NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
 In thousands, except share and per share data

4. Earnings Per Share

Basic earnings per share is computed by dividing income by the weighted average number of shares of all classes of common stock outstanding during the reported period. Diluted earnings per share is computed by dividing income by the weighted average number of shares of common stock and potentially dilutive common equivalent shares outstanding determined under the treasury stock method. The following table sets forth the computation of basic and diluted earnings per share (shares in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2008	2007	2008	2007
Net income	\$ 15,523	\$ 47,870	\$ 20,774	\$166,081
Basic:				
Weighted average common shares outstanding	107,141	102,950	106,982	97,784
Net income per common share	\$ 0.14	\$ 0.46	\$ 0.19	\$ 1.70
Diluted:				
Weighted average common shares outstanding	107,141	102,950	106,982	97,784
Common equivalent shares for stock options	2,184	2,342	2,196	2,339
Common equivalent shares for restricted stock and restricted stock units (1)	142	—	—	—
Weighted average common and common equivalent shares outstanding	109,467	105,292	109,178	100,123
Net income per common and common equivalent share	\$ 0.14	\$ 0.45	\$ 0.19	\$ 1.66

(1) Common equivalent shares for restricted stock of 413 and restricted stock units of 135 were excluded from the diluted earnings per share calculation for the six months ended June 30, 2008 because they were anti-dilutive.

5. Dividend Payment

In August 2007, the Company initiated a quarterly dividend policy. On February 26, 2008, the Company's board of directors declared a cash dividend for the fourth quarter of 2007 in the amount of \$0.18 per share of common stock payable to stockholders of record on March 6, 2008. The dividend was paid on March 14, 2008 in the total amount of approximately \$19,270. On May 9, 2008, the Company's board of directors declared a cash dividend for the first quarter of 2008 in the amount of \$0.18 per share of common stock payable to stockholders of record on May 30, 2008. The dividend was paid on June 12, 2008 in the total amount of approximately \$19,328.

6. Investment in National CineMedia and Transaction Related to its Initial Public Offering

In March 2005, Regal Entertainment Inc. ("Regal") and AMC Entertainment Inc. ("AMC") formed National CineMedia, LLC, or NCM, and on July 15, 2005, the Company joined NCM, as one of the founding members. 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. Upon joining NCM, the Company and NCM entered into an Exhibitor Services Agreement, pursuant to which NCM provides advertising, promotion and event services to the Company's theatres. On February 13, 2007, National CineMedia, Inc. ("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. initial public offering, the Company amended its operating agreement with NCM and the Exhibitor Services Agreement pursuant to which NCM provides advertising, promotion and event services to the Company's theatres. In connection with NCM Inc.'s initial public offering and the transactions described below (the "NCM Transaction"), the Company received an aggregate of \$389,003.

CINEMARK HOLDINGS, INC. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

In thousands, except share and per share data

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 Regal, AMC and the Company 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.

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 \$19,910, and upon completion of this sale of common units, the Company owned 13,145,349 common units of NCM. The net proceeds of \$215,002 from the above described stock transactions were applied against the Company's existing investment basis in NCM of \$4,069 until such basis was reduced to \$0 with the remaining \$210,933 of proceeds net of \$160 of transaction related costs, recorded as a gain of \$210,773 in the condensed consolidated statement of income for the six months ended June 30, 2007.

NCM 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 Services Agreement, which obligated NCM to pay the Company a percentage of revenue, to the monthly theatre access fee described below. The theatre access fee significantly reduced the contractual amounts paid to the Company by NCM. In exchange for the Company agreeing to so modify the agreement, NCM paid the Company approximately \$174,001 upon modification of the Exhibitor Services Agreement on February 13, 2007, the proceeds of which were recorded as deferred revenue on the Company's condensed consolidated balance sheet. The Company believes this payment approximates the fair value of the Exhibitor Services Agreement modification. The deferred revenue is being amortized into other revenues over the life of the agreement using the units of revenue method. Regal and AMC similarly amended their exhibitor service arrangements with 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 receives 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. For 2008, the annual payment per digital screen is eight hundred forty dollars. 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.

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. Subsequent to NCM, Inc.'s initial public offering, the Company continues to account for its investment in NCM under the equity method of accounting due to its ability to exercise significant control over NCM. The Company has substantial rights as a founding member, including the right to designate a total of two nominees to the ten-member Board of Directors of NCM Inc., the sole manager. So long as the Company owns at least 5% of NCM's membership interests, approval of at least 90% (80% if the board has less than 10 directors) will be required before NCM, Inc. may take certain actions including but not limited to mergers and acquisitions, issuance of common or preferred shares, approval of

CINEMARK HOLDINGS, INC. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

In thousands, except share and per share data

NCM's budget, incurrence of indebtedness, entering into or terminating material agreements, and modifications to its articles of incorporation or bylaws. Additionally, if any of the Company's director designees are not appointed to the Board of Directors of NCM, Inc., nominated by NCM, Inc. or elected by NCM, Inc.'s stockholders, then the Company (so long as the Company continues to own at least 5% of NCM's membership interest) will be entitled to approve certain actions of NCM including without limitation, approval of the budget, incurrence of indebtedness, consummating or amending material agreements, approving dividends, amending the NCM operating agreement, hiring or termination of the chief executive officer, chief financial officer, chief technology officer or chief marketing officer of NCM and the dissolution or liquidation of NCM.

In 2008, NCM performed a common unit adjustment calculation in accordance with the Common Unit Adjustment Agreement dated as of February 13, 2007 between NCM, Inc. and the Company, Regal and AMC. The common unit adjustment is based on the change in the number of screens operated by and attendance of the Company, AMC and Regal. As a result of the common unit adjustment calculation, the Company received an additional 846,303 common units of NCM, each of which is convertible into one share of NCM, Inc. common stock. The Company recorded the additional common units received at fair value as an investment with a corresponding adjustment to deferred revenue of \$19,020. The common unit adjustment resulted in an increase in the Company's ownership percentage in NCM from approximately 14.0% to approximately 14.5%.

During May 2008, Regal completed an acquisition of another theatre circuit that required an extraordinary common unit adjustment calculation by NCM in accordance with the Common Unit Adjustment Agreement. As a result of this extraordinary common unit adjustment, Regal was granted additional common units of NCM, which resulted in dilution of the Company's ownership interest in NCM from 14.5% to 14.1%. The Company recognized a change of interest loss of approximately \$75 during the three and six months ended June 30, 2008 as a result of this extraordinary common unit adjustment, which is reflected in (gain) loss on sale of assets and other on the condensed consolidated statement of income.

As of June 30, 2008, the Company owned a total of 13,991,652 common units.

During the six months ended June 30, 2007 and 2008, the Company recorded equity income (losses) in NCM of (\$1,284) and \$37, respectively. The Company recognized \$4,961 and \$1,814 of other revenue from NCM during the six months ended June 30, 2007 and 2008, respectively. The Company had a receivable due from NCM of \$225 and \$126 as of December 31, 2007 and June 30, 2008, respectively, related to screen advertising and other ancillary revenue. The Company is entitled to receive mandatory quarterly distributions of excess cash from NCM. During the six months ended June 30, 2007 and 2008, the Company received distributions of approximately \$1,362 and \$8,585, respectively, which were in excess of the carrying value of its investment in NCM and are reflected as distributions from NCM on the condensed consolidated statement of income.

Below is summary financial information for NCM for the three and six month periods ended June 26, 2008:

	Three Months Ended June 26, 2008	Six Months Ended June 26, 2008
Gross revenues	\$ 86,736	\$ 149,388
Operating income	\$ 39,086	\$ 57,354
Net earnings	\$ 26,670	\$ 30,916

CINEMARK HOLDINGS, INC. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
In thousands, except share and per share data

7. Investment in Digital Cinema Implementation Partners

On February 12, 2007, the Company, AMC and Regal entered into a joint venture known as Digital Cinema Implementation Partners LLC (“DCIP”) to facilitate the implementation of digital cinema in the Company’s theatres and to establish agreements with major motion picture studios for the financing of digital cinema. Future digital cinema developments will be managed by DCIP, subject to the Company’s approval along with the Company’s partners, AMC and Regal. During June 2007, the Company invested \$1,500 for a one-third ownership interest in DCIP. During February 2008, the Company, AMC and Regal each invested an additional \$1,000 in DCIP.

The Company is accounting for its investment in DCIP under the equity method of accounting. During the six months ended June 30, 2007 and 2008, the Company recorded equity losses in DCIP of \$235 and \$1,343, respectively, relating to this investment. The Company’s investment basis in DCIP was \$260 and \$(83) at December 31, 2007 and June 30, 2008, respectively, which is included in investments in and advances to affiliates on the condensed consolidated balance sheets.

During July 2008, the Company, AMC and Regal each invested an additional \$1,500 in DCIP.

8. Sale of Investment in Fandango, Inc.

In May 2007, Fandango, Inc., an on-line ticketing distributor, executed a merger agreement, which resulted in the Company selling its investment in stock of Fandango, Inc. for approximately \$14,147 of consideration (the “Fandango Transaction”). As a result of the sale of its investment, the Company recorded a gain of \$9,205 in the condensed consolidated statement of income for the three and six months ended June 30, 2007.

As part of the sale of its investment in stock of Fandango, Inc., the Company amended its exclusive ticketing and distribution agreement with Fandango, Inc and received proceeds of \$5,000. The proceeds were recorded as deferred revenue on the Company’s condensed consolidated balance sheet and are being amortized over the term of the amended ticketing and distribution agreement.

9. Share Based Awards

During September 2004, Cinemark, Inc.’s board of directors approved the 2004 Long Term Incentive Plan (the “2004 Plan”), under which 9,097,360 shares of Class A common stock were made available for issuance to selected employees, directors and consultants of the Company. The 2004 Plan provided for restricted share grants, incentive option grants and nonqualified option grants.

On August 2, 2006, Cinemark Holdings, Inc. was formed as the Delaware holding company of Cinemark, Inc. and the Cinemark Share Exchange was completed on October 5, 2006.

In November 2006, the Company’s 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 of directors and the majority of its stockholders approved the Cinemark Holdings, Inc. 2006 Long Term Incentive Plan (the “2006 Plan”) and all options to purchase shares of Cinemark, Inc.’s Class A common stock under the 2004 Plan were exchanged for an equal number of options to purchase shares of Cinemark Holdings, Inc.’s common stock under the 2006 Plan. The 2006 Plan is substantially similar to the 2004 Plan.

During September 2007, the Company filed a registration statement with the Securities and Exchange Commission on Form S-8 for purposes of registering shares available for issuance under the 2006 Plan.

During October 2007, the Company’s board of directors recommended and the stockholders approved an amendment to the 2006 Plan to provide for the ability to exercise an option on a cashless basis, by decreasing the number of shares deliverable upon the exercise of such option by an amount equal to the number of shares having an aggregate fair market value equal to the aggregate exercise price of such option.

CINEMARK HOLDINGS, INC. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

In thousands, except share and per share data

During March 2008, the Company's board of directors approved the Amended and Restated Cinemark Holdings, Inc. 2006 Long Term Incentive Plan (the "Restated Incentive Plan"). The Restated Incentive Plan amends and restates the 2006 Plan, to (i) increase the number of shares reserved for issuance from 9,097,360 shares of common stock to 19,100,000 shares of common stock and (ii) permit the compensation committee of the Company's board of directors (the "Compensation Committee") to award participants restricted stock units and performance awards. The right of a participant to exercise or receive a grant of a restricted stock unit or performance award may be subject to the satisfaction of such performance or objective business criteria as determined by the Compensation Committee. With the exception of the changes identified in (i) and (ii) above, the Restated Incentive Plan does not materially differ from the 2006 Plan. The Restated Incentive Plan was approved by the Company's stockholders at its annual meeting of stockholders held on May 15, 2008.

Stock Options — A summary of stock option activity and related information for the six months ended June 30, 2008 is as follows:

	Number of Options	Weighted Average Exercise Price
Outstanding at December 31, 2007	6,323,429	\$ 7.63
Granted	—	—
Exercised	(82,992)	\$ 7.63
Forfeited	(11,276)	\$ 7.63
Outstanding at June 30, 2008	6,229,161	\$ 7.63
Options exercisable at June 30, 2008	5,228,073	\$ 7.63

The Company recorded compensation expense of \$1,432 and a tax benefit of approximately \$550 during the six months ended June 30, 2008, related to the outstanding stock options. As of June 30, 2008, the remaining unrecognized compensation expense related to outstanding stock options was \$2,148 and the weighted average period over which this remaining compensation expense will be recognized is approximately nine months. All options outstanding at June 30, 2008 have an average remaining contractual life of approximately 6.25 years. The aggregate intrinsic value of stock options outstanding and stock options exercisable at June 30, 2008 was \$33,824 and \$28,388, respectively.

Restricted Stock - During October 2007, the Company granted 21,880 shares of restricted stock to its independent directors at a purchase price of \$0.001 per share. The fair value of the shares was approximately \$400 based on the market value of the Company's stock on the date of grant, which was \$18.28 per share. These restricted stock awards fully vested on June 29, 2008. The Company recorded compensation expense of \$200 related to these awards during the six months ended June 30, 2008.

During the six months ended June 30, 2008, the Company granted 390,908 shares of restricted stock to independent directors and employees of the Company. The fair value of the shares of restricted stock was determined based on the market value of the Company's stock on the dates of grant, which ranged from \$12.89 to \$14.65 per share. The Company assumed forfeiture rates ranging from zero to 2% for the restricted stock awards. The restricted stock vests over periods ranging from one year to four years based on continued service by the independent director or employee. The Company recorded compensation expense of \$339 related to these restricted stock awards during the six months ended June 30, 2008. As of June 30, 2008, the remaining unrecognized compensation expense related to these restricted stock awards was approximately \$4,800 and the weighted average period over which this remaining compensation expense will be recognized is approximately 3.2 years. Upon vesting, the Company receives an income tax deduction. The recipients of restricted stock are entitled to receive dividends and to vote their respective shares, however the sale and transfer of the restricted shares is prohibited during the restriction period.

CINEMARK HOLDINGS, INC. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

In thousands, except share and per share data

A summary of restricted stock activity for the six months ended June 30, 2008 is as follows:

	Shares of Restricted Stock
Outstanding at December 31, 2007	21,880
Granted	390,908
Forfeited	—
Outstanding at June 30, 2008	412,788
Unvested restricted stock at June 30, 2008	390,908

Restricted Stock Units - During the six months ended June 30, 2008, the Company granted restricted stock units representing 204,361 hypothetical shares of common stock under the Restated Incentive Plan. The restricted stock units vest based on a combination of financial performance factors and continued service. The financial performance factors are based on an implied equity value concept that determines an internal rate of return (“IRR”) during the three fiscal year period ending December 31, 2010 based on a formula utilizing a multiple of Adjusted EBITDA subject to certain specified adjustments (as defined in the restricted stock unit award agreement). The financial performance factors for the restricted stock units have a threshold, target and maximum level of payment opportunity. If the IRR for the three year period is at least 8.5%, which is the threshold, one-third of the restricted stock units vest. If the IRR for the three year period is at least 10.5%, which is the target, two-thirds of the restricted stock units vest. If the IRR for the three year period is at least 12.5%, which is the maximum, 100% of the restricted stock units vest. All payouts of restricted stock units that vest are subject to an additional one year service requirement and will be paid in the form of common stock if the participant continues to provide services through the fourth anniversary of the grant date. Restricted stock unit award participants are eligible to receive dividend equivalent payments if and at the time the restricted stock unit awards become vested.

Below is a table summarizing the potential restricted stock unit awards at each of the three levels of financial performance (excluding forfeiture assumptions):

	Number of Shares Vesting	Value at Grant
at IRR of at least 8.5%	68,116	\$ 885
at IRR of at least 10.5%	136,239	\$1,771
at IRR of at least 12.5%	204,361	\$2,656

Due to the fact that the IRR for the three year period ending December 31, 2010 could not be determined at the time of grants, the Company estimated that the most likely outcome is the achievement of the mid-point IRR level. As a result, the total compensation expense to be recorded for the restricted stock unit awards is \$1,755 assuming a total of 135,027 units will vest at the end of the four year period, using a forfeiture rate ranging from zero to 2%. If during the service period, additional information becomes available to lead the Company to believe a different IRR level will be achieved for the three year period ending December 31, 2010, the Company will reassess the number of units that will vest and adjust its compensation expense accordingly on a prospective basis over the remaining service period. The fair value of the number of units expected to vest was determined based on the market value of the Company’s stock on the dates of grant, which ranged from \$12.89 to \$13.14 per share. The Company recorded compensation expense of \$107 related to these awards during the six months ended June 30, 2008. As of June 30, 2008, the remaining unrecognized compensation expense related to these restricted stock unit awards was \$1,648 and the weighted average period over which this remaining compensation expense will be recognized is approximately 3.7 years.

CINEMARK HOLDINGS, INC. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

In thousands, except share and per share data

10. Early Retirement of 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 remained outstanding. In connection with the tender offer, the Company solicited consents for certain proposed amendments to the indenture to remove substantially all restrictive covenants and certain events of default provisions. On March 20, 2007, the early settlement date, approximately \$332,000 aggregate principal amount of the 9% senior subordinated notes were tendered and repurchased by the Company for approximately \$360,164, including accrued interest and premiums paid. On April 3, 2007, the Company repurchased an additional \$66 aggregate principal amount of the 9% senior subordinated notes tendered after the early settlement date. The Company funded the repurchases with the net proceeds received from the NCM Transaction (see Note 6). The Company recorded a loss on early retirement of debt of \$7,952 during the six months ended June 30, 2007, which consisted of tender offer repurchase costs, including premiums paid and other fees, and the write-off of unamortized debt issue costs, partially offset by the write-off of the unamortized bond premium.

On March 20, 2008, in one open market purchase, the Company repurchased \$10,000 aggregate principal amount at maturity of its 9³/₄% senior discount notes for approximately \$8,950, including accreted interest of \$2,929. The Company funded the transaction with proceeds from the initial public offering of its common stock. As a result of the transaction, the Company recorded a loss on early retirement of debt of \$40 during the six months ended June 30, 2008, which primarily includes the write-off of unamortized debt issue costs partially offset by a discount on the repurchased senior discount notes.

11. Interest Rate Swap Agreements

During March 2007, the Company entered into two interest rate swap agreements with effective dates of August 13, 2007 and terms of five years each. The interest rate swaps were designated to hedge approximately \$500,000 of the Company's variable rate debt obligations under its senior secured credit facility. Under the terms of the interest rate swap agreements, the Company pays fixed rates of 4.918% and 4.922% on \$375,000 and \$125,000, respectively, of variable rate debt and receives interest at a variable rate based on the 3-month LIBOR. The 3-month LIBOR rate on each reset date determines the variable portion of the interest rate swaps for the three-month period following the reset date. 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 counterparty at the time the interest rate swaps were consummated. The interest rate swaps qualify for cash flow hedge accounting treatment in accordance with SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities," and as such, the Company has effectively hedged its exposure to variability in the future cash flows attributable to the 3-month LIBOR on \$500,000 of variable rate debt. The change in the fair values of the interest rate swaps is recorded on the Company's condensed 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 and the ineffective portion reported in earnings. The Company estimates the fair values of the interest rate swaps by comparing estimated future interest payments to be made under forecasted future 3-month LIBOR to the fixed rates in accordance with the interest rate swaps.

As of June 30, 2008, the aggregate fair value of the interest rate swaps was a liability of approximately \$16,658, which has been recorded as a component of other long-term liabilities. A corresponding cumulative amount of \$10,261, net of taxes, has been recorded as a decrease in accumulated other comprehensive income on the Company's condensed consolidated balance sheet as of June 30, 2008. The interest rate swaps exhibited no ineffectiveness during the six months ended June 30, 2008.

CINEMARK HOLDINGS, INC. AND SUBSIDIARIES
 NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
 In thousands, except share and per share data

12. Goodwill and Other Intangible Assets

The Company's goodwill was as follows:

	U.S. Operating Segment	International Operating Segment	Total
Balance at December 31, 2007	\$979,148	\$ 155,541	\$1,134,689
Acquisition of one theatre (1)	2,892	—	2,892
Foreign currency translation adjustments	—	10,906	10,906
Balance at June 30, 2008	<u>\$982,040</u>	<u>\$ 166,447</u>	<u>\$1,148,487</u>

(1) The Company acquired one theatre during 2008 for approximately \$5,011, which resulted in \$2,892 of goodwill and \$2,119 of theatre properties and equipment. The theatre is included in the Company's U.S. operating segment.

In accordance with SFAS No. 142, "Goodwill and Other Intangible Assets", the Company evaluates goodwill for impairment on an annual basis at fiscal year-end or whenever events or changes in circumstances indicate the carrying value of goodwill might exceed its estimated fair value. The Company evaluates goodwill for impairment at the reporting unit level and has allocated goodwill to the reporting unit based on an estimate of its relative fair value. The goodwill impairment evaluation is a two-step approach requiring the Company to compute the estimated fair value of a reporting unit and compare it with its carrying value. If the carrying value exceeds the estimated fair value, a second step is performed to measure the potential goodwill impairment. Fair values are determined based on a multiple of cash flows, which was eight times for the evaluations performed during 2007. 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. Prior to January 1, 2008, the Company considered its theatres reporting units for purposes of evaluating goodwill for impairment. Recent changes in the organization, including changes in the structure of the Company's executive management team, the Company's initial public offering, the resulting changes in the level at which the Company's management team evaluates the business on a regular basis, and the Century Acquisition that increased the size of the Company's theatre base by approximately 25%, led the Company to conclude that its U.S. regions and international countries are now more reflective of how it manages and operates its business. Accordingly, the Company's U.S. regions and international countries represent the appropriate reporting units for purposes of evaluating goodwill for impairment. Consequently, effective January 1, 2008, the Company changed the reporting unit to sixteen regions in the U.S. and eight countries internationally from approximately four hundred theatres. The goodwill impairment test performed during December 2007 that resulted in the recording of impairment charges during the year ended December 31, 2007 reflects the final calculation utilizing theatres as reporting units.

[Table of Contents](#)

CINEMARK HOLDINGS, INC. AND SUBSIDIARIES
 NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

In thousands, except share and per share data

Intangible assets consisted of the following:

	Balance at December 31, 2007	Amortization	Foreign Currency Translation Adjustments & Other	Balance at June 30, 2008
<i>Intangible assets with finite lives:</i>				
Capitalized licensing fees:				
Gross carrying amount	\$ 5,138	\$ —	\$ —	\$ 5,138
Accumulated amortization	(1,565)	(213)	—	(1,778)
Net carrying amount	3,573	(213)	—	3,360
Vendor contracts:				
Gross carrying amount	56,973	—	875	57,848
Accumulated amortization	(23,342)	(1,717)	—	(25,059)
Net carrying amount	33,631	(1,717)	875	32,789
Net favorable leases:				
Gross carrying amount	20,691	—	305	20,996
Accumulated amortization	(15,581)	(1,403)	13	(16,971)
Net carrying amount	5,110	(1,403)	318	4,025
Other intangible assets:				
Gross carrying amount	69	—	2	71
Accumulated amortization	(20)	(2)	—	(22)
Net carrying amount	49	(2)	2	49
Total net intangible assets with finite lives	42,363	(3,335)	1,195	40,223
<i>Intangible assets with indefinite lives:</i>				
Tradenname	310,681	—	925	311,606
Other unamortized intangible assets	3	—	—	3
Total intangible assets — net	\$ 353,047	\$ (3,335)	\$ 2,120	\$ 351,832

Aggregate amortization expense of \$3,406 for the six months ended June 30, 2008 consisted of \$3,335 of amortization of intangible assets and \$71 of amortization of other assets. Estimated aggregate future amortization expense for intangible assets is as follows:

For the six months ended December 31, 2008	\$ 3,065
For the twelve months ended December 31, 2009	5,278
For the twelve months ended December 31, 2010	4,996
For the twelve months ended December 31, 2011	4,542
For the twelve months ended December 31, 2012	3,677
Thereafter	18,665
Total	\$ 40,223

CINEMARK HOLDINGS, INC. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
In thousands, except share and per share data

13. 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, 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 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 cash flows are not sufficient to recover a long-lived asset's carrying value, the Company then compares the carrying value of the asset group (theatre) with its estimated fair value. Fair value is determined based on a multiple of cash flows, which was eight times for the evaluations performed during the six months ended June 30, 2007 and June 30, 2008. 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.

The Company's long-lived asset impairment losses of \$5,829 for the six months ended June 30, 2008 were primarily for U.S. theatre properties. The Company's long-lived asset impairment losses of \$56,766 for the six months ended June 30, 2007 consisted of \$7,958 for theatre properties, \$45,108 of goodwill related to theatre properties and \$3,700 of intangible assets associated with theatre properties. As a result of the NCM Transaction discussed in Note 6, and more specifically the modification of the NCM Exhibitor Services Agreement with the Company, which significantly reduced the contractual amounts paid to the Company, the Company evaluated the carrying value of its goodwill as of March 31, 2007 leading to a majority of the goodwill impairment charges recorded during the six months ended June 30, 2007.

14. Foreign Currency Translation

The accumulated other comprehensive income account in stockholders' equity of \$32,695 and \$61,222 at December 31, 2007 and June 30, 2008, respectively, includes the cumulative foreign currency adjustments from translating the financial statements of the Company's international subsidiaries into U.S. dollars.

In 2007 and 2008, all foreign countries where the Company has operations were deemed non-highly inflationary. Thus, any fluctuation in the currency results in a cumulative foreign currency translation adjustment to the accumulated other comprehensive income account recorded as an increase in, or reduction of, stockholders' equity.

On June 30, 2008, the exchange rate for the Brazilian real was 1.61 reals to the U.S. dollar (the exchange rate was 1.77 reals to the U.S. dollar at December 31, 2007). As a result, the effect of translating the June 30, 2008 Brazilian financial statements into U.S. dollars is reflected as a cumulative foreign currency translation adjustment to the accumulated other comprehensive income account as an increase in stockholders' equity of \$19,148. At June 30, 2008, the total assets of the Company's Brazilian subsidiaries were U.S. \$236,194.

On June 30, 2008, the exchange rate for the Mexican peso was 10.31 pesos to the U.S. dollar (the exchange rate was 10.92 pesos to the U.S. dollar at December 31, 2007). As a result, the effect of translating the June 30, 2008 Mexican financial statements into U.S. dollars is reflected as a cumulative foreign currency translation adjustment to the accumulated other comprehensive income account as an increase in stockholders' equity of \$7,472. At June 30, 2008, the total assets of the Company's Mexican subsidiaries were U.S. \$167,814.

CINEMARK HOLDINGS, INC. AND SUBSIDIARIES
 NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
 In thousands, except share and per share data

15. Comprehensive Income

SFAS No. 130, "Reporting Comprehensive Income," establishes standards for the reporting and display of comprehensive income and its components in the condensed consolidated financial statements. The Company's comprehensive income was as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2008	2007	2008	2007
Net income	\$ 15,523	\$ 47,870	\$20,774	\$166,081
Fair value adjustments on interest rate swap agreements (see Note 11)	13,045	7,629	1,086	6,422
Foreign currency translation adjustment (see Note 14)	18,552	15,257	27,440	17,127
Comprehensive income	<u>\$ 47,120</u>	<u>\$ 70,756</u>	<u>\$49,300</u>	<u>\$189,630</u>

16. Supplemental Cash Flow Information

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

	Six Months Ended June 30,	
	2008	2007
Cash paid for interest	\$42,931	\$69,477
Cash paid for income taxes, net of refunds received	\$ 7,504	\$80,158
Noncash investing and financing activities:		
Change in construction lease obligations related to construction of theatres	\$ —	\$ (2,429)
Change in accounts payable and accrued expenses for the acquisition of theatre properties and equipment	\$ (3,349)	\$ (845)
Theatre properties acquired under capital lease	\$ 7,911	\$ 2,943
Investment in NCM (see Note 6)	\$19,020	\$ —
Dividends accrued on unvested restricted stock unit awards (see Note 9)	\$ (25)	\$ —

During December 2007, the Company elected to use the proceeds of approximately \$22,739 from the sale of real property to purchase a like-kind property in accordance with the Internal Revenue Code and as a result, the proceeds were deposited to an escrow account. During March 2008, the Company elected to use the proceeds of approximately \$700 from the sale of real property to purchase a like-kind property in accordance with the Internal Revenue Code and as a result, the proceeds were deposited to an escrow account. The Company did not purchase like-kind properties and the deposits of approximately \$23,439 were returned to the Company during the six months ended June 30, 2008.

CINEMARK HOLDINGS, INC. AND SUBSIDIARIES
 NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
 In thousands, except share and per share data

17. Segments

At June 30, 2008, the Company operates 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 Colombia. The U.S. segment includes U.S. and Canada operations. Each segment's revenue is derived from admissions and concession 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.

Below is a breakdown of selected financial information by reportable operating segment:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2008	2007	2008	2007
Revenues				
U.S.	\$ 360,247	\$ 349,043	\$ 669,047	\$ 655,418
International	97,900	91,790	191,009	164,051
Eliminations	(913)	(797)	(1,806)	(1,411)
Total Revenues	\$ 457,234	\$ 440,036	\$ 858,250	\$ 818,058
Adjusted EBITDA				
U.S.	\$ 78,815	\$ 76,173	\$ 143,691	\$ 142,874
International	21,023	20,871	40,307	34,264
Total Adjusted EBITDA	\$ 99,838	\$ 97,044	\$ 183,998	\$ 177,138
Capital Expenditures				
U.S.	\$ 12,490	\$ 28,148	\$ 38,385	\$ 53,045
International	8,625	12,935	13,531	20,103
Total Capital Expenditures	\$ 21,115	\$ 41,083	\$ 51,916	\$ 73,148

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2008	2007	2008	2007
Net income	\$ 15,523	\$ 47,870	\$ 20,774	\$ 166,081
Add (deduct):				
Income taxes	11,840	(25,683)	15,481	9,710
Interest expense (1)	30,061	35,301	62,134	76,798
Gain on NCM Transaction	—	—	—	(210,773)
Gain on Fandango Transaction	—	(9,205)	—	(9,205)
Loss on early retirement of debt	—	123	40	7,952
Other income (2)	(1,132)	(3,526)	(2,873)	(6,009)
Termination of profit participation agreement	—	6,952	—	6,952
Depreciation and amortization	37,840	36,720	75,247	73,595
Amortization of favorable leases	699	625	1,403	1,559
Impairment of long-lived assets	1,342	7,036	5,829	56,766
(Gain) loss on sale of assets and other	1,109	(1,864)	910	(1,559)
Deferred lease expenses	914	1,704	2,146	3,311
Amortization of long-term prepaid rents	425	275	829	511
Share based awards compensation expense	1,217	716	2,078	1,449
Adjusted EBITDA	\$99,838	\$ 97,044	\$183,998	\$ 177,138

(1) Includes amortization of debt issue costs.

(2) Includes interest income, foreign currency exchange gain (loss), equity in loss of affiliates and minority interests in income of subsidiaries and excludes distributions from NCM.

CINEMARK HOLDINGS, INC. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

In thousands, except share and per share data

Financial Information About Geographic Areas

The Company has operations in the U.S., Canada, Mexico, Argentina, Brazil, Chile, Ecuador, Peru, Honduras, El Salvador, Nicaragua, Costa Rica, Panama and Colombia, which are reflected in the condensed consolidated financial statements. Below is a breakdown of selected financial information by geographic area:

Revenues	Three Months Ended June 30,		Six Months Ended June 30,	
	2008	2007	2008	2007
U.S. and Canada	\$ 360,247	\$ 349,043	\$ 669,047	\$ 655,418
Brazil	47,000	41,613	91,634	76,025
Mexico	21,002	21,209	40,404	37,888
Other foreign countries	29,898	28,968	58,971	50,138
Eliminations	(913)	(797)	(1,806)	(1,411)
Total	\$ 457,234	\$ 440,036	\$ 858,250	\$ 818,058

Theatre Properties and Equipment-net	June 30, 2008	December 31, 2007
U.S. and Canada	\$ 1,118,816	\$ 1,137,244
Brazil	78,943	72,635
Mexico	60,839	59,201
Other foreign countries	43,782	44,986
Total	\$ 1,302,380	\$ 1,314,066

18. 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, who owns approximately 12% of the Company’s issued and outstanding shares of common stock. Annual rent is approximately \$118 plus certain taxes, maintenance expenses and insurance. The Company recorded \$62 and \$63 of facility lease and other operating expenses payable to Plitt Plaza joint venture during the six months ended June 30, 2007 and 2008, 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 \$39 and \$48 of management fee revenues during the six months ended June 30, 2007 and 2008, respectively. All such amounts are included in the Company’s condensed consolidated financial statements with the intercompany amounts eliminated in consolidation.

The Company leases 24 theatres and two parking facilities from Syfy Enterprises, LP (“Syfy”) or affiliates of Syfy, which owns approximately 8% of the Company’s issued and outstanding shares of common stock. Raymond Syfy is one of the Company’s directors and is an officer of the general partner of Syfy. Of these 26 leases, 21 have fixed minimum annual rent in an aggregate amount of approximately \$22,059. 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. The Company also has an office lease with Syfy 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 \$300.

CINEMARK HOLDINGS, INC. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

In thousands, except share and per share data

The Company entered into an amended and restated profit participation agreement on March 12, 2004 with its CEO, Alan Stock, which became effective on April 2, 2004, and amended the profit participation agreement with Mr. Stock in effect since May 2002. Under the agreement, Mr. Stock received a profit interest in two theatres once the Company recovered its capital investment in these theatres plus its borrowing costs. During the six months ended June 30, 2007, the Company recorded \$114 in profit participation expense payable to Mr. Stock, which is included in general and administrative expenses on the Company's condensed consolidated statement of income. After the Company's initial public offering in April 2007, the Company exercised its option to terminate the amended and restated profit participation agreement and purchased Mr. Stock's interest in the theatres on May 3, 2007 for a price of \$6,853 pursuant to the terms of the agreement. The Company also paid payroll taxes of approximately \$99 related to the payment made to terminate the amended and restated profit participation agreement. The agreement with Mr. Stock was terminated effective May 3, 2007.

19. Commitments and Contingencies

Effective June 16, 2008, the Company entered into new employment agreements (the "New Employment Agreements") with Alan W. Stock, Timothy Warner, Robert Copple and Michael Cavalier. Each of Messers. Stock, Warner, Copple and Cavalier had an employment agreement with the Company's principal subsidiary, Cinemark, Inc. which became effective as of March 12, 2004 (the "Original Employment Agreements"). The New Employment Agreements replace the Original Employment Agreements. The New Employment Agreements have an initial term of three years, ending on June 16, 2011, subject to an automatic extension for a one-year period, unless the employment agreements are terminated. Messers. Stock, Warner, Copple and Cavalier will receive base salaries of \$603, \$442, \$416, and \$338, respectively, during 2008, which are subject to review during the term of the employment agreements for increase (but not decrease) each year by the Company's Compensation Committee. In addition, Messers. Stock, Warner, Copple and Cavalier are eligible to receive annual cash incentive bonuses upon the Company meeting certain performance targets established by its Compensation Committee for the fiscal year. Messers. Stock, Warner, Copple and Cavalier qualify for the Company's 401(k) matching program and are also entitled to certain additional benefits including life insurance and disability insurance. The New Employment Agreements provide for severance payments upon termination of employment, the amount and nature of which depends upon the reason for the termination of employment. Effective June 16, 2008, the Company terminated its employment agreement with Tandy Mitchell.

From time to time, the Company is involved in various legal proceedings arising from the ordinary course of its business operations, such as personal injury claims, employment matters, landlord-tenant disputes and contractual disputes, some 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. Subsequent Event — Dividend Declaration

On August 7, 2008, the Company's board of directors declared a cash dividend in the amount of \$0.18 per common share payable to stockholders of record on August 25, 2008. The dividend will be paid on September 12, 2008.

21. Subsequent Event — Share Exchange with Minority Partners

During May 2008, the Company's partners in Central America (the "Central American Partners") exercised an option available to them under an Exchange Option Agreement dated February 7, 2007 between the Company and the Central American Partners. Under this option, which was triggered by completion of an initial public offering by the Company, the Central American Partners are entitled to exchange their shares in Cinemark Equity Holdings Corporation, which is the Company's Central American holding company, for shares of the Company's common stock. The number of shares to be exchanged is determined based on the Company's equity value and the equity value of the Central American Partner's interest in Cinemark Equity Holdings Corporation, both of which are defined in the Exchange Option Agreement. As a result of this exchange, the Company will issue 902,981 shares of its common stock to its Central American Partners. The exchange of shares is expected to occur during August 2008. The Company will account for the transaction as a step acquisition. The purchase price of the shares in Cinemark Equity Holdings Corporation will be recorded based on the fair value of the shares issued plus related transaction costs. Prior to the exchange, the Company owned 51% of the shares in Cinemark Equity Holdings Corporation and subsequent to the exchange, the Company will

CINEMARK HOLDINGS, INC. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

In thousands, except share and per share data

own 100% of the shares in Cinemark Equity Holdings Corporation.

During July 2008, the Company's partners in Ecuador (the "Ecuador Partners") exercised an option available to them under an Exchange Option Agreement dated February 7, 2007 between the Company and the Ecuador Partners. Under this option, which was triggered by completion of an initial public offering by the Company, the Ecuador Partners are entitled to exchange their shares in Cinemark del Ecuador S.A. for shares of the Company's common stock. The number of shares to be exchanged is determined based on the Company's equity value and the equity value of the Ecuador Partner's interest in Cinemark del Ecuador S.A., both of which are defined in the Exchange Option Agreement. The equity values will be determined and the exchange of shares is expected to occur during August 2008. The Company will account for the transaction as a step acquisition. The purchase price of the shares in Cinemark del Ecuador S.A. will be recorded based on the fair value of the shares issued plus related transaction costs. Prior to the exchange, the Company owned 60% of the shares in Cinemark del Ecuador S.A. and subsequent to the exchange, the Company will own 100% of the shares in Cinemark del Ecuador S.A.

22. Subsequent Event — Investment in DCIP

During July 2008, the Company, AMC and Regal each invested an additional \$1,500 in DCIP.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion and analysis should be read in conjunction with our condensed consolidated financial statements and related notes and schedules included elsewhere in this report.

We are one of the leaders in the motion picture exhibition industry, in terms of both revenues and the number of screens in operation, with theatres in the U.S., Canada, Mexico, Argentina, Brazil, Chile, Ecuador, Peru, Honduras, El Salvador, Nicaragua, Costa Rica, Panama and Colombia. For financial reporting purposes at June 30, 2008, we have two reportable operating segments, our U.S. operations and our international operations.

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 six months ended June 30, 2008 included *Iron Man*, *Indiana Jones and the Kingdom of the Crystal Skull*, *Kung Fu Panda*, *Horton Hears a Who*, *Sex and the City*, *Incredible Hulk*, *Get Smart* and Disney's latest Pixar installment, *WALL-E*, which was released on June 27, 2008. Film releases scheduled for the remainder of 2008 include *Hancock*, *The Dark Knight*, *The Mummy: Tomb of the Dragon Emperor*, *Quantum of Solace*, *Madagascar: Escape 2 Africa*, *Harry Potter and the Half-Blood Prince* and the release of 3-D movies including *Journey to the Center of the Earth* and *Bolt*. In 2009, a broad slate of 3-D films is expected, including *Monsters vs. Aliens*, *Ice Age 3: Dawn of the Dinosaurs*, *Avatar* and Disney's next Pixar installment, *Up*. Our revenues are affected by changes in attendance and average admissions and concession revenues per patron. Attendance is primarily affected by the quality and quantity of films released by motion picture studios.

Film rental costs are variable in nature and fluctuate with our admissions revenues. Film rental costs as a percentage of revenues are generally higher for periods in which more blockbuster films are released. Film rental costs can also vary based on the length of a film's run. 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 address 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.

Recent Developments

On August 7, 2008, our board of directors declared a cash dividend in the amount of \$0.18 per common share payable to stockholders of record on August 25, 2008. The dividend will be paid on September 12, 2008.

During July 2008, we, AMC and Regal each invested an additional \$1.5 million in DCIP.

[Table of Contents](#)

Results of Operations

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2008	2007	2008	2007
Operating data (in millions):				
Revenues				
Admissions	\$ 294.4	\$ 283.1	\$ 556.8	\$ 527.1
Concession	141.5	138.4	263.6	253.5
Other	21.3	18.5	37.8	37.4
Total revenues	\$ 457.2	\$ 440.0	\$ 858.2	\$ 818.0
Theatre operating costs (1)				
Film rentals and advertising	\$ 163.8	\$ 159.1	\$ 301.9	\$ 287.4
Concession supplies	23.2	22.7	42.0	40.1
Salaries and wages	45.3	45.4	87.9	85.6
Facility lease expense	56.1	53.3	112.4	104.9
Utilities and other	50.4	48.2	98.6	92.4
Total theatre operating costs	\$ 338.8	\$ 328.7	\$ 642.8	\$ 610.4
Operating data as a percentage of revenues:				
Revenues				
Admissions	64.4%	64.3%	64.9%	64.4%
Concession	30.9%	31.5%	30.7%	31.0%
Other	4.7%	4.2%	4.4%	4.6%
Total revenues	100.0%	100.0%	100.0%	100.0%
Theatre operating costs (1) (2)				
Film rentals and advertising	55.6%	56.2%	54.2%	54.5%
Concession supplies	16.4%	16.4%	15.9%	15.8%
Salaries and wages	9.9%	10.3%	10.2%	10.5%
Facility lease expense	12.3%	12.1%	13.1%	12.8%
Utilities and other	11.0%	11.0%	11.5%	11.3%
Total theatre operating costs	74.1%	74.7%	74.9%	74.6%
Average screen count (month end average)	4,683	4,521	4,672	4,504
Revenues per average screen (in dollars)	\$97,642	\$97,326	\$183,701	\$181,612

(1) Excludes depreciation and amortization expense.

(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.

Three months ended June 30, 2008 and 2007

Revenues. Total revenues increased \$17.2 million to \$457.2 million for the three months ended June 30, 2008 (“second quarter of 2008”) from \$440.0 million for the three months ended June 30, 2007 (“second quarter of 2007”), representing a 3.9% 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			International Operating Segment			Consolidated		
	Three Months Ended June 30,			Three Months Ended June 30,			Three Months Ended June 30,		
	2008	2007	% Change	2008	2007	% Change	2008	2007	% Change
Admissions revenues (in millions)	\$ 234.3	\$ 225.2	4.0%	\$ 60.1	\$ 57.9	3.8%	\$ 294.4	\$ 283.1	4.0%
Concession revenues (in millions)	\$ 114.3	\$ 112.7	1.4%	\$ 27.2	\$ 25.7	5.8%	\$ 141.5	\$ 138.4	2.2%
Other revenues (in millions) (1)	\$ 10.7	\$ 10.3	3.9%	\$ 10.6	\$ 8.2	29.3%	\$ 21.3	\$ 18.5	15.1%
Total revenues (in millions) (1)	\$ 359.3	\$ 348.2	3.2%	\$ 97.9	\$ 91.8	6.6%	\$ 457.2	\$ 440.0	3.9%
Attendance (in millions)	38.6	38.9	(0.8%)	14.8	16.8	(11.9%)	53.4	55.7	(4.1%)
Revenues per screen (in dollars) (1)	\$97,871	\$97,870	0.0%	\$96,811	\$95,317	1.6%	\$97,642	\$97,326	0.3%

(1) U.S. operating segment revenues include eliminations of intercompany transactions with the international operating segment. See Note 17 of our condensed consolidated financial statements.

- **Consolidated.** The increase in admissions revenues of \$11.3 million was primarily attributable to an 8.3% increase in average ticket price from \$5.09 for the second quarter of 2007 to \$5.51 for the second quarter of 2008, partially offset by a 4.1% decline in attendance. The increase in concession revenues of \$3.1 million was primarily attributable to a 6.4% increase in concession revenues per patron from \$2.49 for the second quarter of 2007 to \$2.65 for the second quarter of 2008, partially offset by the decline in attendance. The increases in average ticket price and concession revenues per patron were primarily due to price increases and the favorable impact of exchange rates in certain countries in which we operate. The 15.1% increase in other revenues was primarily due to increased screen advertising and other ancillary revenues in certain of our international locations and the favorable impact of exchange rates in certain countries in which we operate.
- **U.S.** The increase in admissions revenues of \$9.1 million was primarily attributable to a 4.8% increase in average ticket price from \$5.79 for the second quarter of 2007 to \$6.07 for the second quarter of 2008, partially offset by a 0.8% decline in attendance. The increase in concession revenues of \$1.6 million was primarily attributable to a 2.1% increase in concession revenues per patron from \$2.90 for the second quarter of 2007 to \$2.96 for the second quarter of 2008, partially offset by the decline in attendance. The increases in average ticket price and concession revenues per patron were primarily due to price increases.
- **International.** The increase in admissions revenues of \$2.2 million was primarily attributable to a 17.3% increase in average ticket price from \$3.46 for the second quarter of 2007 to \$4.06 for the second quarter of 2008, partially offset by an 11.9% decline in attendance. The increase in concession revenues of \$1.5 million was primarily attributable to a 19.5% increase in concession revenues per patron from \$1.54 for the second quarter of 2007 to \$1.84 for the second quarter of 2008, partially offset by the decline in attendance. The increases in average ticket price and concession revenues per patron were primarily due to price increases and the favorable impact of exchange rates in certain countries in which we operate. The decline in attendance was primarily related to a shift in the holiday calendar, as Easter fell in March of this year versus April of last year, and a shift in the timing of certain key film releases in international markets. The 29.3% increase in other revenues was primarily due to increased screen advertising and other ancillary revenues and the favorable impact of exchange rates in certain countries in which we operate.

Theatre Operating Costs (excludes depreciation and amortization expense). Theatre operating costs were \$338.8 million, or 74.1% of revenues, for the second quarter of 2008 compared to \$328.7 million, or 74.7% of revenues, for the second quarter of 2007. The table below, presented by reportable operating segment, summarizes our year-over-year theatre operating costs.

	U.S. Operating Segment		International Operating Segment		Consolidated	
	Three Months Ended		Three Months Ended		Three Months Ended	
	June 30,		June 30,		June 30,	
	2008	2007	2008	2007	2008	2007
Film rentals and advertising	\$ 134.4	\$ 129.7	\$ 29.4	\$ 29.4	\$ 163.8	\$ 159.1
Concession supplies	16.3	16.3	6.9	6.4	23.2	22.7
Salaries and wages	37.4	38.6	7.9	6.8	45.3	45.4
Facility lease expense	41.3	40.3	14.8	13.0	56.1	53.3
Utilities and other	36.5	36.3	13.9	11.9	50.4	48.2
Total theatre operating costs	\$ 265.9	\$ 261.2	\$ 72.9	\$ 67.5	\$ 338.8	\$ 328.7

- **Consolidated.** Film rentals and advertising costs were \$163.8 million, or 55.6% of admissions revenues, for the second quarter of 2008 compared to \$159.1 million, or 56.2% of admissions revenues, for the second quarter of 2007. The increase in film rentals and advertising costs of \$4.7 million is due to an \$11.3 million increase in admissions revenues, which contributed \$6.3 million, partially offset by a decrease in our film rental and advertising rate, which reduced costs by \$1.6 million. Concession supplies expense was \$23.2 million, or 16.4% of concession revenues, for the second quarter of 2008 compared to \$22.7 million, or 16.4% of concession revenues, for the second quarter of 2007.

Salaries and wages decreased to \$45.3 million for the second quarter of 2008 from \$45.4 million for the second quarter of 2007. Facility lease expense increased to \$56.1 million for the second quarter of 2008 from \$53.3 million for the second quarter of 2007 primarily due to new theatre openings and the impact of exchange rates in certain countries in which we operate. Utilities and other costs increased to \$50.4 million for the second quarter of 2008 from \$48.2 million for the second quarter of 2007 primarily due to new theatre openings and the impact of exchange rates in certain countries in which we operate.

- **U.S.** Film rentals and advertising costs were \$134.4 million, or 57.4% of admissions revenues, for the second quarter of 2008 compared to \$129.7 million, or 57.6% of admissions revenues, for the second quarter of 2007. The increase in film rentals and advertising costs of \$4.7 million is due to a \$9.1 million increase in admissions revenues, partially offset by a decrease in our film rentals and advertising rate. Concession supplies expense was \$16.3 million, or 14.3% of concession revenues, for the second quarter of 2008 compared to \$16.3 million, or 14.5% of concession revenues, for the second quarter of 2007.

Salaries and wages decreased to \$37.4 million for the second quarter of 2008 from \$38.6 million for the second quarter of 2007 primarily due to improved operating efficiencies. Facility lease expense increased to \$41.3 million for the second quarter of 2008 from \$40.3 million for the second quarter of 2007 primarily due to new theatre openings. Utilities and other costs increased to \$36.5 million for the second quarter of 2008 from \$36.3 million for the second quarter of 2007 primarily due to new theatre openings.

- **International.** Film rentals and advertising costs were \$29.4 million, or 48.9% of admissions revenues, for the second quarter of 2008 compared to \$29.4 million, or 50.8% of admissions revenues, for the second quarter of 2007. The decrease in our film rental and advertising rate was primarily due to the type and performance of films during the second quarter of 2008 versus 2007. Concession supplies expense was \$6.9 million, or 25.4% of concession revenues, for the second quarter of 2008 compared to \$6.4 million, or 24.9% of concession revenues, for the second quarter of 2007. The increase in concession supplies expense is primarily due to increased concession revenues.

Salaries and wages increased to \$7.9 million for the second quarter of 2008 from \$6.8 million for the second quarter of 2007 primarily due to new theatre openings and the impact of exchange rates in certain countries in which we operate. Facility lease expense increased to \$14.8 million for the second quarter of 2008 from \$13.0 million for the second quarter of 2007 primarily due to new theatre openings and the impact of exchange rates in certain countries in which we operate. Utilities and other costs increased to \$13.9 million for the second quarter of 2008 from \$11.9 million for the second quarter of 2007 primarily due to new theatre openings and the impact of exchange rates in certain countries in which we operate.

[Table of Contents](#)

General and Administrative Expenses. General and administrative expenses increased to \$24.5 million for the second quarter of 2008 from \$18.4 million for the second quarter of 2007. The increase was primarily due to increased incentive compensation expense, increased share based award compensation expense, increased service charges related to increased credit card activity and increased legal and professional fees, including audit fees related to compliance with the Sarbanes-Oxley Act of 2002 ("SOX"). Legal fees increased as a result of the preparation of our first proxy statement and related disclosures required under the Securities Exchange Act of 1934, as amended, particularly relating to compensation discussion and analysis, and defense costs related to a lawsuit which we have been vigorously defending and has been dismissed with prejudice.

Termination of Profit Participation Agreement. Upon consummation of our initial public offering on April 24, 2007, we exercised our option to terminate the amended and restated profit participation agreement with our CEO Alan Stock and purchased Mr. Stock's interest in the theatres on May 3, 2007 for a price of \$6.9 million pursuant to the terms of the agreement. In addition, the Company incurred \$0.1 million of payroll taxes related to the termination. See Note 18 to our condensed consolidated financial statements.

Depreciation and Amortization. Depreciation and amortization expense, including amortization of favorable leases, was \$38.5 million for the second quarter of 2008 compared to \$37.3 million for the second quarter of 2007 primarily due to new theatre openings.

Impairment of Long-Lived Assets. We recorded asset impairment charges on assets held and used of \$1.3 million for the second quarter of 2008 compared to \$7.0 million during the second quarter of 2007. Impairment charges for the second quarter of 2008 were primarily for U.S. theatre properties. Impairment charges for the second quarter of 2007 consisted of \$1.6 million of theatre properties, \$4.3 million of goodwill and \$1.1 million of intangible assets associated with theatre properties.

(Gain) Loss on Sale of Assets and Other. We recorded a loss on sale of assets and other of \$1.1 million during the second quarter of 2008 compared to a gain of \$1.9 million during the second quarter of 2007. The loss recorded during the second quarter of 2008 was primarily due to the write-off of theatre equipment that was replaced. The gain recorded during the second quarter of 2007 was primarily due to a gain on the sale of two U.S. theatres.

Interest Expense. Interest costs incurred, including amortization of debt issue costs, were \$30.1 million for the second quarter of 2008 compared to \$35.3 million for the second quarter of 2007. The decrease was primarily due to the repurchase of a portion of our 9 ³/₄% senior discount notes since the second quarter of 2007 and a reduction in the variable interest rates on a portion of our long-term debt.

Interest Income. We recorded interest income of \$2.9 million during the second quarter of 2008 compared to \$4.5 million during the second quarter of 2007. The decrease was primarily due to lower interest rates earned on our cash investments.

Gain on Fandango transaction. We recorded a gain of \$9.2 million as a result of the sale of our stock of Fandango, Inc in the second quarter of 2007. See Note 8 to our condensed consolidated financial statements.

Distributions from NCM. We recorded distributions from NCM of \$3.4 million during the second quarter of 2008 and \$1.4 million during the second quarter of 2007, which were in excess of the carrying value of our investment. See Note 6 to our condensed consolidated financial statements.

Income Taxes. Income tax expense of \$11.8 million was recorded for the second quarter of 2008 compared to an income tax benefit of \$25.7 million for the second quarter of 2007. The effective tax rate was 43.3% for the second quarter of 2008 compared to a benefit of 115.8% for the second quarter of 2007. The change in the effective rate from the second quarter of 2007 was primarily due to the gain related to the NCM Transaction in 2007. Income tax provisions for interim (quarterly) periods are based on estimated annual income tax rates and are adjusted for the effects of significant, infrequent or unusual items occurring during the interim period. As a result, the interim rate may vary significantly from the normalized annual rate.

[Table of Contents](#)

Six months ended June 30, 2008 and 2007

Revenues. Total revenues increased \$40.2 million to \$858.2 million for the six months ended June 30, 2008 (“the 2008 period”) from \$818.0 million for the six months ended June 30, 2007 (“the 2007 period”), representing a 4.9% 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			International Operating Segment			Consolidated		
	Six Months Ended June 30,			Six Months Ended June 30,			Six Months Ended June 30,		
	2008	2007	% Change	2008	2007	% Change	2008	2007	% Change
Admissions revenues (in millions)	\$ 437.1	\$ 422.7	3.4%	\$ 119.7	\$ 104.4	14.7%	\$ 556.8	\$ 527.1	5.6%
Concession revenues (in millions)	\$ 211.0	\$ 208.2	1.3%	\$ 52.6	\$ 45.3	16.1%	\$ 263.6	\$ 253.5	4.0%
Other revenues (in millions) (1)	\$ 19.1	\$ 23.1	(17.3%)	\$ 18.7	\$ 14.3	30.8%	\$ 37.8	\$ 37.4	1.1%
Total revenues (in millions) (1)	\$ 667.2	\$ 654.0	2.0%	\$ 191.0	\$ 164.0	16.5%	\$ 858.2	\$ 818.0	4.9%
Attendance (in millions)	72.9	73.9	(1.4%)	30.2	31.0	(2.6%)	103.1	104.9	(1.7%)
Revenues per screen (in dollars) (1)	\$182,264	\$184,569	(1.2%)	\$188,904	\$170,709	10.7%	\$183,701	\$181,612	1.2%

(1) U.S. operating segment revenues include eliminations of intercompany transactions with the international operating segment. See Note 17 of our condensed consolidated financial statements.

- **Consolidated.** The increase in admissions revenues of \$29.7 million was primarily attributable to a 7.4% increase in average ticket price from \$5.03 for the 2007 period to \$5.40 for the 2008 period, partially offset by a 1.7% decline in attendance. The increase in concession revenues of \$10.1 million was primarily attributable to a 5.8% increase in concession revenues per patron from \$2.42 for the 2007 period to \$2.56 for the 2008 period, partially offset by the decline in attendance. The increases in average ticket price and concession revenues per patron were primarily due to price increases and the favorable impact of exchange rates in certain countries in which we operate.
- **U.S.** The increase in admissions revenues of \$14.4 million was primarily attributable to a 4.9% increase in average ticket price from \$5.72 for the 2007 period to \$6.00 for the 2008 period, partially offset by a 1.4% decline in attendance. The increase in concession revenues of \$2.8 million was primarily attributable to a 2.5% increase in concession revenues per patron from \$2.82 for the 2007 period to \$2.89 for the 2008 period, partially offset by the decline in attendance. The increases in average ticket price and concession revenues per patron were primarily due to price increases. The \$4.0 million, or 17.3%, decrease in other revenues was primarily attributable to reduced screen advertising revenues earned under the amended Exhibitor Services Agreement with NCM. See Note 6 to the condensed consolidated financial statements.
- **International.** The increase in admissions revenues of \$15.3 million was primarily attributable to a 17.5% increase in average ticket price from \$3.37 for the 2007 period to \$3.96 for the 2008 period, partially offset by a 2.6% decline in attendance. The increase in concession revenues of \$7.3 million was primarily attributable to a 19.2% increase in concession revenues per patron from \$1.46 for the 2007 period to \$1.74 for the 2008 period, partially offset by the decline in attendance. The increases in average ticket price and concession revenues per patron were primarily due to price increases and the favorable impact of exchange rates in certain countries in which we operate. The increase in other revenues of \$4.4 million was primarily due to increased screen advertising and other ancillary revenues and the favorable impact of exchange rates in certain countries in which we operate.

Table of Contents

Theatre Operating Costs (excludes depreciation and amortization expense). Theatre operating costs were \$642.8 million, or 74.9% of revenues, for the 2008 period compared to \$610.4 million, or 74.6% of revenues, for the 2007 period. The table below, presented by reportable operating segment, summarizes our year-over-year theatre operating costs.

	U.S. Operating Segment		International Operating Segment		Consolidated	
	Six Months Ended		Six Months Ended		Six Months Ended	
	June 30,		June 30,		June 30,	
	2008	2007	2008	2007	2008	2007
Film rentals and advertising	\$ 243.2	\$ 235.2	\$ 58.7	\$ 52.2	\$ 301.9	\$ 287.4
Concession supplies	28.8	28.7	13.2	11.4	42.0	40.1
Salaries and wages	72.8	73.0	15.1	12.6	87.9	85.6
Facility lease expense	82.8	80.2	29.6	24.7	112.4	104.9
Utilities and other	71.7	70.6	26.9	21.8	98.6	92.4
Total theatre operating costs	\$ 499.3	\$ 487.7	\$ 143.5	\$ 122.7	\$ 642.8	\$ 610.4

- Consolidated.** Film rentals and advertising costs were \$301.9 million, or 54.2% of admissions revenues, for the 2008 period compared to \$287.4 million, or 54.5% of admissions revenues, for the 2007 period. The increase in film rentals and advertising costs of \$14.5 million is due to a \$29.7 million increase in admissions revenues, which contributed \$15.6 million, partially offset by a decrease in our film rental and advertising rate, which reduced costs by \$1.1 million. Concession supplies expense was \$42.0 million, or 15.9% of concession revenues, for the 2008 period, compared to \$40.1 million, or 15.8% of concession revenues, for the 2007 period.

Salaries and wages increased to \$87.9 million for the 2008 period from \$85.6 million for the 2007 period primarily due to new theatre openings and the impact of exchange rates in certain countries in which we operate. Facility lease expense increased to \$112.4 million for the 2008 period from \$104.9 million for the 2007 period primarily due to new theatre openings and the impact of exchange rates in certain countries in which we operate. Utilities and other costs increased to \$98.6 million for the 2008 period from \$92.4 million for the 2007 period primarily due to new theatre openings and the impact of exchange rates in certain countries in which we operate.
- U.S.** Film rentals and advertising costs were \$243.2 million, or 55.6% of admissions revenues, for the 2008 period compared to \$235.2 million, or 55.6% of admissions revenues, for the 2007 period. The increase in film rentals and advertising costs of \$8.0 million is due to a \$14.4 million increase in admissions revenues. Concession supplies expense was \$28.8 million, or 13.6% of concession revenues, for the 2008 period, compared to \$28.7 million, or 13.8% of concession revenues, for the 2007 period.

Salaries and wages decreased to \$72.8 million for the 2008 period from \$73.0 million for the 2007 period primarily due to improved operating efficiencies. Facility lease expense increased to \$82.8 million for the 2008 period from \$80.2 million for the 2007 period primarily due to new theatre openings. Utilities and other costs increased to \$71.7 million for the 2008 period from \$70.6 million for the 2007 period primarily due to new theatre openings.
- International.** Film rentals and advertising costs were \$58.7 million, or 49.0% of admissions revenues, for the 2008 period compared to \$52.2 million, or 50.0% of admissions revenues, for the 2007 period. The increase in film rentals and advertising costs is primarily due to increased admissions revenues. Concession supplies expense was \$13.2 million, or 25.1% of concession revenues, for the 2008 period compared to \$11.4 million, or 25.2% of concession revenues, for the 2007 period. The increase in concession supplies expense is primarily due to increased concession revenues.

Salaries and wages increased to \$15.1 million for the 2008 period from \$12.6 million for the 2007 period primarily due to new theatre openings and the impact of exchange rates in certain countries in which we operate. Facility lease expense increased to \$29.6 million for the 2008 period from \$24.7 million for the 2007 period primarily due to new theatre openings and the impact of exchange rates in certain countries in which we operate. Utilities and other costs increased to \$26.9 million for the 2008 period from \$21.8 million for the 2007 period primarily due to new theatre openings and the impact of exchange rates in certain countries in which we operate.

[Table of Contents](#)

General and Administrative Expenses. General and administrative expenses increased to \$45.1 million for the 2008 period from \$37.1 million for the 2007 period. The increase was primarily due to increased incentive compensation expense, increased share based award compensation expense, increased service charges related to increased credit card activity and increased legal and professional fees, including audit fees related to SOX compliance. Legal fees increased as a result of the preparation of our first proxy statement and related disclosures required under the Securities Exchange Act of 1934, as amended, particularly relating to compensation discussion and analysis, and defense costs related to a lawsuit which we have been vigorously defending and has been dismissed with prejudice.

Termination of Profit Participation Agreement. Upon consummation of our initial public offering on April 24, 2007, we exercised our option to terminate the amended and restated profit participation agreement with our CEO Alan Stock and purchased Mr. Stock's interest in the theatres on May 3, 2007 for a price of \$6.9 million pursuant to the terms of the agreement. In addition, the Company incurred \$0.1 million of payroll taxes related to the termination. See Note 18 to our condensed consolidated financial statements.

Depreciation and Amortization. Depreciation and amortization expense, including amortization of favorable leases, was \$76.7 million for the 2008 period compared to \$75.2 million for the 2007 period primarily due to new theatre openings.

Impairment of Long-Lived Assets. We recorded asset impairment charges on assets held and used of \$5.8 million for the 2008 period compared to \$56.8 million during the 2007 period. Impairment charges for the 2008 period were primarily for U.S. theatre properties. Impairment charges for the 2007 period consisted of \$8.0 million of theatre properties, \$45.1 million of goodwill associated with theatre properties and \$3.7 million of intangible assets associated with theatre properties. As a result of the NCM Transaction and more specifically the modification of the NCM Exhibitor Services Agreement, which significantly reduced the contractual amounts paid to us, we evaluated the carrying value of our goodwill as of March 31, 2007, leading to a majority of the goodwill impairment charges recorded during the 2007 period (see Note 6).

(Gain) Loss on Sale of Assets and Other. We recorded a loss on sale of assets and other of \$0.9 million during the 2008 period compared to a gain of \$1.6 million during the 2007 period. The loss recorded during the 2008 period was primarily due to the write-off of theatre equipment that was replaced and the write-off of prepaid rent for an international theatre, partially offset by a gain on sale of land parcels. The gain recorded during the 2007 period was primarily due to a gain on the sale of real property associated with one of our U.S. theatres.

Interest Expense. Interest costs incurred, including amortization of debt issue costs, were \$62.1 million for the 2008 period compared to \$76.7 million for the 2007 period. The decrease was primarily due to the repurchase of substantially all of our outstanding 9% senior subordinated notes that occurred during March 2007, the repurchase of a portion of our 9³/₄% senior discount notes since the second quarter of 2007, and a reduction in the variable interest rates on a portion of our long-term debt.

Interest Income. We recorded interest income of \$6.7 million during the 2008 period compared to interest income of \$8.2 million during the 2007 period. The decrease in interest income was primarily due to lower interest rates earned on our cash investments.

Gain on NCM transaction. We recorded a gain of \$210.8 million on the sale of a portion of our equity investment in NCM in conjunction with the initial public offering of NCM, Inc. during the 2007 period. Our ownership interest in NCM was reduced from approximately 25% to approximately 14% as part of this sale of stock in the offering. See Note 6 to our condensed consolidated financial statements.

Gain on Fandango transaction. We recorded a gain of \$9.2 million as a result of the sale of our investment in stock of Fandango, Inc in the 2007 period. See Note 8 to our condensed consolidated financial statements.

Distributions from NCM. We recorded distributions from NCM of \$8.6 million during the 2008 period and \$1.4 million during the 2007 period, which were in excess of the carrying value of our investment. See Note 6 to our condensed consolidated financial statements.

[Table of Contents](#)

Income Taxes. Income tax expense of \$15.5 million was recorded for the 2008 period compared to \$9.7 million for the 2007 period. The effective tax rate was 42.7% for the 2008 period compared to 5.5% for the 2007 period. The change in the effective rate from the 2007 period was primarily due to the gain related to the NCM Transaction in 2007. Income tax provisions for interim (quarterly) periods are based on estimated annual income tax rates and are adjusted for the effects of significant, infrequent or unusual items occurring during the interim period. As a result, the interim rate may vary significantly from the normalized annual rate.

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 was \$139.0 million for the six months ended June 30, 2008 compared to \$166.6 million for the six months ended June 30, 2007. Cash provided by operating activities for the six months ended June 30, 2007 included the proceeds received from NCM for the modification of our Exhibitor Services Agreement. See Note 6 to our condensed consolidated financial statements for further discussion of the NCM Transaction.

We issued our 9³/₄% senior discount notes on March 31, 2004. Interest on the 9³/₄% senior discount notes 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.

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 was \$34.4 million for the six months ended June 30, 2008 compared to cash provided by investing activities of \$165.5 million for the six months ended June 30, 2007. Cash provided by investing activities for the six months ended June 30, 2007 included proceeds received from the sale of a portion of our investment in NCM. See Note 6 to our condensed consolidated financial statements for further discussion of the NCM Transaction.

Capital expenditures for the six months ended June 30, 2008 and 2007 were as follows (in millions):

Period	New Theatres	Existing Theatres	Total
Six Months Ended June 30, 2008	\$ 36.4	\$ 15.5	\$51.9
Six Months Ended June 30, 2007	\$ 52.2	\$ 20.9	\$73.1

We continue to expand our U.S. theatre circuit. We acquired two theatres with 28 screens, built three theatres with 48 screens and closed three theatres with 42 screens during the six months ended June 30, 2008, bringing our total domestic screen count to 3,688. At June 30, 2008, we had signed commitments to open seven new theatres with 80 screens in domestic markets during 2008 and open eight new theatres with 120 screens subsequent to 2008. We estimate the remaining capital expenditures for the development of these 200 domestic screens will be approximately \$87 million. Actual expenditures for continued theatre development and acquisitions are subject to change based upon the availability of attractive opportunities.

We continue to expand our international theatre circuit. We built two theatres with 11 screens and closed four screens during the six months ended June 30, 2008, bringing our total international screen count to 1,018. At June 30, 2008, we had signed commitments to open four new theatres with 27 screens in international markets during 2008. We estimate the remaining capital expenditures for the development of these 27 international screens will be approximately \$9 million. Actual expenditures for continued theatre development and acquisitions are subject to change based upon the availability of attractive opportunities.

[Table of Contents](#)

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

Financing Activities

Cash used for financing activities was \$50.9 million for the six months ended June 30, 2008 compared to \$95.1 million for the six months ended June 30, 2007. Cash used for financing activities for the six months ended June 30, 2007 reflected the repurchase of \$332.1 million aggregate principal amount of our 9% senior subordinated notes and the net proceeds of approximately \$246.0 million from an initial public offering of our common stock.

In August 2007, we initiated a quarterly dividend policy. On February 26, 2008, our board of directors declared a cash dividend for the fourth quarter of 2007 in the amount of \$0.18 per share of common stock payable to stockholders of record on March 6, 2008. The dividend was paid on March 14, 2008 in the total amount of \$19.3 million. On May 9, 2008, our board of directors declared a cash dividend for the first quarter of 2008 in the amount of \$0.18 per share of common stock payable to stockholders of record on May 30, 2008. The dividend was paid on June 12, 2008 in the total amount of \$19.3 million.

On March 20, 2008, in one open market purchase, we repurchased \$10.0 million aggregate principal amount at maturity of our 9³/₄% senior discount notes for approximately \$9.0 million, including accreted interest of \$2.9 million. We funded the transaction with proceeds from our initial public offering.

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 June 30, 2008 and December 31, 2007:

	<u>June 30, 2008</u>	<u>December 31, 2007</u>
Cinemark, Inc. 9 ³ / ₄ % senior discount notes due 2014	\$ 426,705	\$ 415,768
Cinemark USA, Inc. term loan	1,100,400	1,101,686
Cinemark USA, Inc. 9% senior subordinated notes due 2013	181	184
Other long-term debt	3,361	6,107
Total long-term debt	1,530,647	1,523,745
Less current portion	12,770	9,166
Long-term debt, less current portion	<u>\$ 1,517,877</u>	<u>\$ 1,514,579</u>

As of June 30, 2008, we had borrowings of \$1,100.4 million outstanding on the term loan under our senior secured credit facility, \$426.7 million accreted principal amount outstanding under our 9³/₄% senior discount notes and approximately \$0.2 million aggregate principal amount outstanding under the 9% senior subordinated notes, respectively, and had approximately \$149.9 million in available borrowing capacity under our revolving credit facility. We were in full compliance with all covenants governing our outstanding debt at June 30, 2008.

Table of Contents

As of June 30, 2008, 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:

Contractual Obligations	Payments Due by Period (in millions)				
	Total	Less Than One Year	1 - 3 1 - 3 Years	4 - 5 4 - 5 Years	After 5 Years
Long-term debt ¹	\$1,560.4	\$ 12.8	\$ 24.2	\$ 803.8	\$ 719.6
Scheduled interest payments on long-term debt ²	\$502.0	60.5	208.0	193.6	39.9
Operating lease obligations	\$1,938.0	182.8	357.3	335.5	1,062.4
Capital lease obligations	\$ 126.8	5.2	12.1	13.0	96.5
Scheduled interest payments on capital leases	\$ 112.0	12.5	23.5	21.4	54.6
Letters of credit	\$ 0.1	0.1	—	—	—
Employment agreements	\$ 9.6	3.2	6.4	—	—
Purchase commitments ³	\$ 110.3	47.0	62.2	1.0	0.1
Total obligations⁴	\$4,359.2	\$ 324.1	\$ 693.7	\$1,368.3	\$1,973.1

1 Includes the 9³/₄% senior discount notes in the aggregate principal amount at maturity of \$456.4 million.

2 Amounts include scheduled interest payments on fixed rate and variable rate debt agreements. Estimates for the variable rate interest payments were based on interest rates in effect on June 30, 2008. The average interest rates on our fixed rate and variable rate debt were 8.1% and 4.5%, respectively, as of June 30, 2008.

3 Includes estimated capital expenditures associated with the construction of new theatres to which we were committed as of June 30, 2008.

4 The contractual obligations table excludes the Company's FIN 48 liabilities of \$16.5 million because the Company cannot make a reliable estimate of the timing of the related cash payments.

Cinemark, Inc. 9³/₄% Senior Discount Notes

On March 31, 2004, Cinemark, Inc. issued \$577.2 million aggregate principal amount at maturity of 9³/₄% senior discount notes due 2014. Interest on the notes accrues 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. Payments of principal and interest under these notes will be dependent on loans, dividends and other payments from Cinemark, Inc.'s subsidiaries. Cinemark, Inc. may redeem all or part of the 9³/₄% senior discount notes on or after March 15, 2009.

Prior to 2007, Cinemark, Inc. repurchased on the open market a total of \$41.6 million aggregate principal amount at maturity of its 9³/₄% senior discount notes for approximately \$33.0 million, including accreted interest. Cinemark, Inc. funded these transactions with available cash from its operations.

During July and August 2007, Cinemark, Inc. repurchased in six open market purchases a total of \$47.0 million aggregate principal amount at maturity of its 9³/₄% senior discount notes for approximately \$42.8 million, including accreted interest of \$10.9 million and a cash premium of \$2.5 million. During November 2007, as part of an open market purchase, Cinemark, Inc. repurchased \$22.2 million aggregate principal amount at maturity of its 9³/₄% senior discount notes for approximately \$20.9 million, including accreted interest of \$5.7 million and a cash premium of \$1.5 million. On March 20, 2008, in one open market purchase, Cinemark, Inc. repurchased \$10.0 million aggregate principal amount at maturity of its 9³/₄% senior discount notes for approximately \$9.0 million, including accreted interest of \$2.9 million. We funded the 2007 and 2008 transactions with proceeds from our initial public offering.

As of June 30, 2008, the accreted principal balance of the notes was approximately \$426.7 million and the aggregate principal amount at maturity was approximately \$456.4 million.

The indenture governing the 9³/₄% 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 9¼% 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.

Senior Secured Credit Facility

On October 5, 2006, in connection with the Century Acquisition, the Company’s wholly-owned subsidiary, Cinemark USA, Inc., entered into a senior secured credit facility. The 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 our 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 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 June 30, 2008, there was \$1,100.4 million outstanding under the term loan and no borrowings outstanding under the revolving credit line. Approximately \$149.9 million was available for borrowing under the revolving credit line, after giving effect to a \$0.1 million letter of credit outstanding. The average interest rate on outstanding borrowings under the senior secured credit facility at June 30, 2008 was 5.5% 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. Prior to the amendment to the senior secured credit facility discussed below, the term loan accrued 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 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.

On March 14, 2007, Cinemark USA, Inc. amended its senior secured credit facility to, among other things, modify the interest rate on the term loans under the 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 senior secured credit facility in an amount equal to the amount of the net cash proceeds received from the NCM transaction or from excess cash flows, and imposed a 1% prepayment premium for one year on certain

prepayments of the term loans.

Cinemark USA, Inc.'s obligations under the senior secured credit facility are guaranteed by Cinemark Holdings, Inc., Cinemark, 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., and certain of Cinemark USA, Inc.'s domestic subsidiaries and 65% of the voting stock of certain of its foreign subsidiaries.

The 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 and Cinemark, 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; and make capital expenditures and investments. The 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 senior secured credit facility. The dividend restriction contained in the 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 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 1.75 times its consolidated interest expense, each as defined in the senior secured credit facility, since October 1, 2006, (c) \$150 million and (d) certain other amounts specified in the senior secured credit facility, subject to certain adjustments specified in the senior secured credit facility. The dividend restriction is subject to certain exceptions specified in the senior secured credit facility.

The 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 senior secured credit facility may be terminated and all obligations under the 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. The Cinemark Holdings, Inc. initial public offering is not considered a change of control under the senior secured credit facility.

During March 2007, we entered into two interest rate swap agreements with effective dates of August 13, 2007 and terms of five years each. The interest rate swaps were designated to hedge approximately \$500.0 million of our variable rate debt obligations. Under the terms of the interest rate swap agreements, we pay fixed rates of 4.918% and 4.922% on \$375.0 million and \$125.0 million, respectively, of variable rate debt and receive interest at a variable rate based on the 3-month LIBOR. The 3-month LIBOR rate on each reset date determines the variable portion of the interest rate-swaps for the three-month period following the reset date. No premium or discount was incurred upon us entering into the interest rate swaps because the pay and receive rates on the interest rate swaps represented prevailing rates for each counterparty at the time the interest rate swaps were consummated. The interest rate swaps qualify for cash flow hedge accounting treatment in accordance with SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities," and as such, we have effectively hedged our exposure to variability in the future cash flows attributable to the 3-month LIBOR on approximately \$500.0 million of debt. The change in the fair value of the interest rate swaps is recorded on our condensed 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 and the ineffective portion reported in earnings. At June 30, 2008, the estimated aggregate fair value of the interest rate swaps was a liability of approximately \$16.7 million.

Cinemark USA, Inc. 9% Senior Subordinated Notes

On February 11, 2003, Cinemark USA, Inc. issued \$150 million aggregate 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.

Prior to 2007, Cinemark USA, Inc. repurchased a total of \$27.8 million aggregate principal amount of its 9% senior subordinated notes. The transactions were funded by Cinemark USA, Inc. with available cash from operations.

[Table of Contents](#)

On March 6, 2007, Cinemark USA, Inc. commenced an offer to purchase for cash any and all of its then outstanding \$332.2 million aggregate principal amount of 9% senior subordinated notes. In connection with the tender offer, Cinemark USA, Inc. solicited consents for certain proposed amendments to the indenture to remove substantially all restrictive covenants and certain events of default provisions. On March 20, 2007, the early settlement date, Cinemark USA, Inc. repurchased \$332.0 million aggregate principal amount of 9% senior subordinated notes and executed a supplemental indenture removing substantially all of the restrictive covenants and certain events of default. Cinemark USA, Inc. used the proceeds from the NCM transaction and cash on hand to purchase the 9% senior subordinated notes tendered pursuant to the tender offer and consent solicitation. On March 20, 2007, we and the Bank of New York Trust Company, N.A., as trustee to the Indenture dated February 11, 2003, executed the Fourth Supplemental Indenture. The Fourth Supplemental Indenture became effective on March 20, 2007 and it amends the Indenture by eliminating substantially all restrictive covenants and certain events of default provisions. On April 3, 2007, the Company repurchased an additional \$0.1 million aggregate principal amount of the 9% senior subordinated notes tendered after the early settlement date.

As of June 30, 2008, Cinemark USA, Inc. had outstanding approximately \$0.2 million aggregate principal amount of 9% senior subordinated notes. Cinemark USA, Inc. may redeem the remaining 9% senior subordinated notes at its option at any time.

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 May to mid-August, and during the holiday season, extending from the beginning of November 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.

Item 3. 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

We are currently party to variable rate debt facilities. An increase or decrease in interest rates would affect interest costs relating to our variable rate debt facilities. At June 30, 2008, there was an aggregate of approximately \$603.8 million of variable rate debt outstanding under these facilities. Based on the interest rate levels in effect on the variable rate debt outstanding at June 30, 2008, a 100 basis point increase in market interest rates would increase our annual interest expense by approximately \$6.0 million.

During March 2007, we entered into two interest rate swap agreements with effective dates of August 13, 2007 and terms of five years each. The interest rate swaps were designated to hedge approximately \$500.0 million of our variable rate debt obligations. Under the terms of the interest rate swap agreements, we pay fixed rates of 4.918% and 4.922% on \$375.0 million and \$125.0 million, respectively, of variable rate debt and receive interest at a variable rate based on the 3-month LIBOR. The 3-month LIBOR rate on each reset date determines the variable portion of the interest rate-swaps for the three-month period following the reset date. No premium or discount was incurred upon us entering into the interest rate swaps because the pay and receive rates on the interest rate swaps represented prevailing rates for each counterparty at the time the interest rate swaps were consummated. The interest rate swaps qualify for cash flow hedge accounting treatment in accordance with SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities," and as such, we have effectively hedged our exposure to variability in the future cash flows attributable to the 3-month LIBOR on approximately \$500.0 million of debt. The change in the fair values of the interest rate swaps is recorded on our condensed 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 and the ineffective portion reported in earnings. At June 30, 2008, the estimated aggregate fair value of the interest rate swaps was a liability of approximately \$16.7 million.

The tables below provide information about our fixed rate and variable rate long-term debt agreements as of June 30, 2008 and December 31, 2007:

Expected Maturity as of June 30, 2008 (in millions)								Fair Value	Average Interest Rate
2009	2010	2011	2012	2013	Thereafter	Total			
Fixed rate (1)	\$ —	\$ —	\$ —	\$ —	\$ 237.0	\$ 719.6	\$ 956.6	\$ 944.0	8.1%
Variable rate	12.8	12.8	11.4	11.2	555.6	—	603.8	605.8	4.5%
Total debt	\$12.8	\$12.8	\$11.4	\$11.2	\$792.6	\$ 719.6	\$1,560.4	\$1,549.8	

Expected Maturity as of December 31, 2007 (in millions)								Fair Value	Average Interest Rate
2008	2009	2010	2011	2012	Thereafter	Total			
Fixed rate (1)	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 966.6	\$ 966.6	\$ 940.1	8.2%
Variable rate	9.2	13.8	12.4	11.2	271.6	289.6	607.8	612.8	6.7%
Total debt	\$9.2	\$13.8	\$12.4	\$11.2	\$271.6	\$1,256.2	\$1,574.4	\$1,552.9	

(1) Includes \$500.0 million of the Cinemark USA, Inc. term loan, which represents the debt hedged with the Company's interest rate swap agreements.

[Table of Contents](#)

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. Based upon our equity ownership in our international subsidiaries as of June 30, 2008, holding everything else constant, a 10% immediate, simultaneous, unfavorable change in all of the foreign currency exchange rates to which we are exposed would decrease the net book value of our investments in our international subsidiaries by approximately \$40 million and would decrease the aggregate net income of our international subsidiaries by approximately \$2 million.

Item 4T. Controls and Procedures

Evaluation of the Effectiveness of Disclosure Controls and Procedures

We have established a system of controls and other procedures designed to ensure that information required to be disclosed in our periodic reports filed under the Exchange Act, is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms. These disclosure controls and procedures have been evaluated under the direction of our Chief Executive Officer and Chief Financial Officer for the period covered by this report. Based on such evaluations, the Chief Executive Officer and Chief Financial Officer have concluded that the disclosure controls and procedures are effective in alerting them in a timely basis to material information relating to the Company and its consolidated subsidiaries required to be included in our reports filed or submitted under the Exchange Act.

Changes in Internal Controls Over Financial Reporting

There have been no material changes in our system of internal controls over financial reporting or in other factors that have materially affected, or are reasonably likely to materially affect, our internal controls over financial reporting within the period covered by this report.

PART II — OTHER INFORMATION

Item 1. Legal Proceedings

Previously reported under “Business — Legal Proceedings” in the Company’s Annual Report on Form 10-K filed March 28, 2008.

Item 1A. Risk Factors

There have been no material changes from risk factors previously disclosed in “Risk Factors” in the Company’s Annual Report on Form 10-K filed March 28, 2008.

Item 4. Submission of Matters to a Vote of Security Holders

(a) The Company held its annual meeting of stockholders for 2008 on May 15, 2008 (the “Annual Meeting”) at the Cinemark Legacy Theatre located at 7201 Central Expressway, Plano, Texas 75025.

(b) The proposals that were voted upon at the Annual Meeting are as follows:

- i) Election of Directors ;
- ii) Approval and ratification of the appointment of the Company’s independent, registered public accounting firm Deloitte & Touche, LLP;
- iii) Approval of the Cinemark Holdings, Inc. Performance Bonus Plan; and
- iv) Approval of the Amended and Restated Cinemark Holdings, Inc. 2006 Long Term Incentive Plan.

All the proposals voted upon at the Annual meeting required the affirmative vote of a majority of the shares of common stock outstanding and entitled to vote as of the record date of the Company’s Annual Meeting. The table set forth below states the number of votes cast for, against or withheld, as well as the number of abstentions and broker non-votes for each of the management proposals voted upon at the Annual Meeting.

Description of Matter	For	Against	Withheld	Abstentions	Broker Non-Votes
Election of Directors:					
Steven P. Rosenberg	104,263,794	n/a	1,179,736	n/a	n/a
Enrique F. Senior	105,409,625	n/a	33,905	n/a	n/a
Donald G. Soderquist	105,409,281	n/a	34,249	n/a	n/a
Roger T. Staubach	105,409,715	n/a	33,815	n/a	n/a

Description of Matter	For	Against	Withheld	Abstentions	Broker Non-Votes
Ratification of the appointment of the Company’s independent, registered public accounting firm Deloitte & Touche LLP.	94,244,647	11,198,883	n/a	n/a	n/a
Approval of the Cinemark Holdings, Inc. Performance Bonus Plan	103,319,534	212,853	n/a	1,234,861	676,282
Approval of the Amended and Restated Cinemark Holdings, Inc. 2006 Long Term Incentive Plan	79,052,685	24,479,602	n/a	1,234,961	676,282

Item 6. Exhibits

- *10.1 Employment Agreement, dated as of June 16, 2008, between Cinemark Holdings, Inc. and Alan Stock.
- *10.2 Employment Agreement, dated as of June 16, 2008, between Cinemark Holdings, Inc. and Robert Cople.
- *10.3 Employment Agreement, dated as of June 16, 2008, between Cinemark Holdings, Inc. and Tim Warner.
- *10.4 Employment Agreement, dated as of June 16, 2008, between Cinemark Holdings, Inc. and Michael Cavalier.
- *10.5 Termination Agreement, dated as of June 16, 2008, between Cinemark Holdings, Inc. and Tandy Mitchell.
- *31.1 Certification of Alan Stock, Chief Executive Officer, pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
- *31.2 Certification of Robert Cople, Chief Financial Officer, pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
- *32.1 Certification of Alan Stock, Chief Executive Officer, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
- *32.2 Certification of Robert Cople, Chief Financial Officer, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

* filed herewith.

SIGNATURES

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

CINEMARK HOLDINGS, INC.

Registrant

DATE: August 8, 2008

/s/ Alan W. Stock

Alan W. Stock
Chief Executive Officer

/s/ Robert Copple

Robert Copple
Chief Financial Officer

EXHIBIT INDEX

- *10.1 Employment Agreement, dated as of June 16, 2008, between Cinemark Holdings, Inc. and Alan Stock.
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- *32.1 Certification of Alan Stock, Chief Executive Officer, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
- *32.2 Certification of Robert Copple, Chief Financial Officer, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

* filed herewith.

EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT (this "**Agreement**") is made and entered into as of June 16, 2008, by and between Cinemark Holdings, Inc., a Delaware corporation (the "**Company**"), and Alan W. Stock ("**Executive**").

WITNESSETH:

WHEREAS, Cinemark, Inc., a wholly owned subsidiary of the Company, and Executive are parties to an Employment Agreement dated as of March 12, 2004, as amended to the date hereof relating to Executive, which arrangement sets forth the terms and conditions of Executive's employment with Cinemark, Inc. (the "**Original Agreement**"); and

WHEREAS, the parties desire to enter into this Agreement to replace and supersede the Original Agreement;

NOW, THEREFORE, in consideration of the mutual promises and covenants set forth herein, the parties hereto agree as follows:

1. Employment.

1.1 Title and Duties. The Company hereby employs Executive as Chief Executive Officer of the Company. Executive's duties, responsibilities and authority shall be consistent with Executive's position and titles and shall include serving in a similar capacity with certain of the Company's Subsidiaries (as hereinafter defined) and such other duties, responsibilities and authority as may be assigned to Executive by the Board of Directors of the Company (the "**Board**"). Executive shall report directly to the Chief Executive Officer of the Company.

1.2 Services and Exclusivity of Services. The Company and Executive recognize that the services to be rendered by Executive are of such a nature as to be peculiarly rendered by Executive, encompass the individual ability, managerial skills and business experience of Executive and cannot be measured exclusively in terms of hours or services rendered in any particular period. Executive shall devote Executive's full business time and shall use Executive's best efforts, energy and ability exclusively toward advancing the business, affairs and interests of the Company and its Subsidiaries, and matters related thereto. Nothing in this Agreement shall preclude Executive from serving on boards of directors of up to one other company which is not competitive to the Company upon the Board's approval not to be unreasonably withheld or participating on a board of or in trade organizations, charitable, community, school or religious activities that do not substantially interfere with his duties and responsibilities hereunder or conflict with the interests of the Company.

1.3 Location of Office. The Company shall make available to Executive an office and support services at the Company's headquarters in Dallas/Plano, Texas area. Executive's main office shall be at such location.

1.4 Subsidiaries; Person. For purposes of this Agreement, "**Subsidiary**" or "**Subsidiaries**" means, as to any Person, any other Person (i) of which such Person or any other

Subsidiary of such Person is a general partner, (ii) of which such Person, any one or more of its other Subsidiaries of such Person, or such Person and any one or more of its other Subsidiaries, directly or indirectly owns or controls securities or other equity interests representing more than fifty percent (50%) of the aggregate voting power, or (iii) of which such Person, any one or more of its other Subsidiaries of such Person, or such Person and any one or more its other Subsidiaries, possesses the right to elect more than fifty percent (50%) of the board of directors or Persons holding similar positions; and "**Person**" means any individual, corporation, partnership, limited liability company, firm, joint venture, association, joint-stock company, trust, unincorporated organization, or other entity or group (as defined in Section 13(d)(3) of the Securities Exchange Act of 1934, as amended).

2. Term. The term of Executive's employment under this Agreement (the "**Term**") shall commence on the Effective Date (as defined in Section 19) and shall continue for a period of three (3) years thereafter; provided, however, that at the end of each year of the Term, the Term shall be extended for an additional one-year period unless Executive's employment with the Company is terminated in accordance with Section 5. References in this Agreement to the "balance of the Term" shall mean the period of time remaining on the scheduled Term after giving effect to the most recent extension of the Term occurring prior to any termination of the Term.

3. Compensation.

3.1 Base Salary. During the Term, the Company will pay to Executive a base salary at the rate of \$603,200 per year, payable in accordance with the Company's practices in effect from time to time ("**Base Salary**"). Amounts payable shall be reduced by standard withholding and other authorized deductions. Such Base Salary shall be reviewed during the Term for increase (but not decrease) in the sole discretion of the Board, or such individual, group or committee that the Board may select as its delegate, not less frequently than annually during the Term. In conducting any such review, the Board or such delegate shall consider and take into account, among other things, any change in Executive's responsibilities, performance of Executive, the compensation of other similarly situated executives of comparable companies and other pertinent factors. Once increased, Executive's Base Salary shall not be decreased except upon mutual agreement between the parties, and, as so increased, shall constitute Base Salary hereunder.

3.2 Bonuses; Incentive, Savings and Retirement Plans; Welfare Benefit Plans.

(a) Executive shall be entitled to participate in all annual and long-term bonuses and incentive, savings and retirement plans generally available to other similarly situated executive employees of the Company. Executive, and Executive's family as the case may be, shall be eligible to participate in and receive all benefits under welfare benefit plans, practices, programs and policies provided to the Chief Executive Officer, the President, other Executive Vice Presidents and other Senior Vice Presidents of the Company, including, without limitation, medical, prescription, dental, disability, salary continuance, employee life, group life, accidental death and travel accident insurance plans and programs. The Company reserves the right to modify, suspend or discontinue any and all of its benefits referred to in this

Section 3.2 at any time without recourse by Executive so long as such action is taken generally with respect to other executives and does not single out Executive.

(b) In addition to his Base Salary, for each fiscal year ending during the Term, Executive will be entitled to participate in the Cinemark Holdings, Inc. Performance Bonus Plan (the “**Annual Bonus Plan**”), as such Annual Bonus Plan may be amended from time to time, or pursuant to the terms of any successor plan. If the performance targets specified by the Compensation Committee of the Board are satisfied, Executive will receive an annual incentive cash bonus (the “**Annual Bonus**”) based upon the award opportunity parameters and performance targets established by the Compensation Committee of the Board pursuant to the terms of the Annual Bonus Plan. The amount of the Annual Bonus award opportunity and the performance targets that must be satisfied to receive such Annual Bonus award will be established by the Compensation Committee, in its sole discretion, each fiscal year pursuant to the terms of the Annual Bonus Plan. All such Annual Bonus award payments will be payable as specified pursuant to the terms of the Annual Bonus Plan and will be reduced by standard withholding and other authorized deductions.

(c) Equity Awards. Executive will be eligible to participate in and receive grants of equity incentive awards (“**Equity Awards**”) under the Company’s Amended and Restated 2006 Long Term Incentive Plan (the “**Equity Incentive Plan**”), as such Equity Incentive Plan may be amended from time to time, or pursuant to the terms of any successor plan. Equity Awards to Executive may be granted at such times and subject to such terms and conditions as the Equity Incentive Plan administrator shall determine. Executive has received prior grants of Stock Options which shall continue to be subject to the terms of this Agreement provided herein. Upon the consummation of a Sale of the Company, Executive’s Equity Awards will accelerate and become fully vested (assuming Executive is then, and has been continuously, employed by the Company or any of its Subsidiaries). For purposes hereof, “**Sale of the Company**” is defined and has the meaning specified in the Equity Incentive Plan.

3.3 Fringe Benefits. Executive shall be entitled to receive fringe benefits consistent with Executive’s duties and position, and in accordance with the benefits provided to other similarly situated executive employees of the Company. The Company reserves the right to modify, suspend or discontinue any and all of its fringe benefits referred to in this Section 3.3 at any time without recourse by Executive so long as such action is taken generally with respect to other similarly situated peer executives and does not single out Executive.

3.4 Travel and Expenses. Executive shall be entitled to reimbursement for expenses incurred in the furtherance of the business of the Company in accordance with the Company’s practices and procedures, as they may exist from time to time. Executive may, in his discretion, elect to purchase, and be reimbursed for, business class tickets on any international flights for which scheduled flight time exceeds five hours. Executive shall keep complete and accurate records of all expenditures such that Executive may substantiate and fully account for such expenses according to the Company’s practices and procedures.

3.5 Vacation. Executive shall be entitled to no less than twenty (20) days paid vacation and other absences from work in accordance with the Company’s vacation and absence

policy in effect at the time of such vacations or absences which shall be taken at such times as are consistent with Executive's responsibilities hereunder.

3.6 Payment of Compensation and Benefits. Executive acknowledges and agrees that all payments required to be paid to Executive and benefits to be provided to Executive may be paid or provided by the Company, its successor or any other Subsidiary of the Company.

4. Confidential Information; Non-Competition; Non-Solicitation.

4.1 General. Executive acknowledges that during his employment and as a result of his relationship with the Company and its affiliates, Executive has obtained and will obtain knowledge of, and has been given and will be given access to, information, including, but not limited to, information regarding the business, operations, services, proposed services, business processes, advertising, marketing and promotional plans and materials, price lists, pricing policies, ticket sales, film licensing, purchasing, real estate acquisition and leasing, other financial information and other trade secrets, confidential information and proprietary material of the Company and its affiliates or designated as being confidential by the Company or its affiliates which are not generally known to non-Company personnel, including information and material originated, discovered or developed in whole or in part by Executive (collectively referred to herein as "**Confidential Information**"). The term "Confidential Information" does not include any information which (i) at the time of disclosure is generally available to the public (other than as a result of a disclosure by Executive in breach of this Agreement), or (ii) was available to Executive on a non-confidential basis from a source (other than the Company or its Affiliates or their representatives) that is not and was not prohibited from disclosing such information to Executive by a contractual, legal or fiduciary obligation. Executive agrees that during the Term and, to the fullest extent permitted by law, thereafter, Executive will, in a fiduciary capacity for the benefit of the Company and its affiliates, hold all Confidential Information strictly in confidence and will not directly or indirectly reveal, report, disclose, publish or transfer any of such Confidential Information to any Person, or utilize any of the Confidential Information for any purpose, except in furtherance of Executive's employment under this Agreement and except to the extent that Executive may be required by law to disclose any Confidential Information. Executive acknowledges that the Company and its affiliates are providing Executive additional Confidential Information that Executive was not given prior to execution of this Agreement, as further consideration to Executive for executing this Agreement, including the promises and covenants made by Executive in this Section 4.

4.2 Non-Competition. In further consideration of the compensation to be paid to Executive hereunder, Executive acknowledges that during the course of his employment with the Company and its Subsidiaries, he has, and will, become familiar with the trade secrets of the Company and its Subsidiaries and with other Confidential Information concerning the Company and its Subsidiaries and that his services have been and shall continue to be of special, unique and extraordinary value to the Company and its Subsidiaries. Therefore, Executive agrees that, during Executive's employment hereunder and for one year after the date of termination of employment (the "**Non-compete Period**"), he shall not directly or indirectly own any interest in, manage, control, participate in, consult with, render services for, be employed in an executive, managerial or administrative capacity by, or in any manner engage in, any Competing Business.

For purposes hereof, "**Competing Business**" means any business that owns, operates or manages any movie theatre within a 25-mile radius (if such theatre is outside of a Major DMA) or a 10-mile radius (if such theatre is within a Major DMA) of any theatre (i) being operated by the Company or any of its Subsidiaries during Executive's employment hereunder (but excluding any theatres which the Company and its Subsidiaries have ceased to operate as of the date of the termination of Executive's employment hereunder), or (ii) under consideration by the Company or any of its Subsidiaries for opening as of the date of termination of employment; "**Major DMA**" means a Designated Market Area with a number of households in excess of 700,000; "**Designated Market Area**" means each of those certain geographic market areas for the United States designated as such by Nielsen Media Research, Inc. ("**Nielsen**"), as modified from time to time by Nielsen, whereby Nielsen divides the United States into non-overlapping geography for planning, buying and evaluating television audiences across various markets and whereby a county in the United States is exclusively assigned, on the basis of the television viewing habits of the people residing in the county, to one and only one Designated Market Area; and all theatres operated by the Company and its Subsidiaries in Canada shall be treated as being outside of a Major DMA. Nothing herein shall prohibit Executive from (i) being a passive owner of not more than five percent (5%) of the outstanding stock of any class of a corporation which is publicly traded, so long as Executive has no active participation in the business of such corporation, or (ii) during the one year period following the termination of Executive's employment, owning, operating or investing in up to five (5) movie theatres, so long as each such theatre is outside of a 25-mile radius of the theatres being operated by the Company or any of its Subsidiaries or under consideration by the Company or any of its Subsidiaries for opening, in each case, as of the time of termination of Executive's employment. During the one-year period following the termination of Executive's employment for any reason, Executive shall provide reasonable notice to the Company of his plans for acquiring ownership in, commencing operations of, or investing in, any movie theatre prior to any such event. Notwithstanding the foregoing, Executive's obligations under this Section 4.2 shall terminate and become null and void if Executive terminates his employment with Good Reason.

4.3 **Proprietary Interest.** All inventions, designs, improvements, patents, copyrights and discoveries conceived by Executive during Executive's employment by the Company or its affiliates that are useful in or directly or indirectly related to the business of the Company and its affiliates or to any experimental work carried on by the Company or its affiliates, shall be the property of the Company and its affiliates. Executive will promptly and fully disclose to the Company or its affiliates all such inventions, designs, improvements, patents, copyrights and discoveries (whether developed individually or with other persons) and shall take all steps necessary and reasonably required to assure the Company's or such affiliate's ownership thereof and to assist the Company and its affiliates in protecting or defending the Company's or such affiliate's proprietary rights therein.

4.4 **Return of Materials.** Executive expressly acknowledges that all data, books, records and other Confidential Information of the Company and its affiliates obtained in connection with the Company's business is the exclusive property of the Company or its affiliates and that upon the termination of Executive's employment by the Company or its affiliates, Executive will immediately surrender and return to the Company or its affiliates all such items and all other property belonging to the Company or its affiliates then in the possession of Executive, and Executive shall not make or retain any copies thereof.

4.5 Property of the Company. Executive acknowledges that from time to time in the course of providing services pursuant to this Agreement, Executive shall have the opportunity to inspect and use certain property, both tangible and intangible, of the Company and its affiliates and Executive hereby agrees that such property shall remain the exclusive property of the Company and its affiliates. Executive shall have no right or proprietary interest in such property, whether tangible or intangible, including, without limitation, Executive's customer and supplier lists, contract forms, books of account, computer programs and similar property.

4.6 Reasonable in Scope and Duration; Consideration. Executive agrees and acknowledges that the restrictions contained in this Section 4 are reasonable in scope and duration and are necessary to protect the business interests and Confidential Information of the Company and its affiliates after the Effective Date of this Agreement, and Executive further agrees and acknowledges that he has reviewed the provisions of this Agreement with his legal counsel. Executive acknowledges and agrees that Executive will receive substantial, valuable consideration from the Company for the covenants contained in this Section 4, including without limitation, compensation and other benefits.

5. Termination.

5.1 Termination Prior to Expiration of Term. Notwithstanding anything to the contrary contained in Section 2, Executive's employment may be terminated prior to the expiration of the Term only as provided in this Section 5.

5.2 Death or Disability.

(a) The Company may terminate Executive's employment hereunder due to death or Disability (as defined below). If Executive's employment hereunder is terminated as a result of death or Disability, Executive (or Executive's estate or personal representative in the event of death) shall be entitled to receive (i) all Base Salary due to Executive through the date of termination, (ii) the actual bonus, if any, he would have received in respect of the fiscal year in which his termination occurs, prorated by a fraction, the numerator of which is the number of days in such fiscal year prior to the date of Executive's termination and the denominator of which is 365, payable at the same time as any Annual Bonus payments are made to other similarly situated active executives pursuant to the terms of the Annual Bonus Plan and subject to satisfaction of the performance targets for such fiscal year, (iii) any previously vested Equity Awards and benefits, such as retirement benefits and vacation pay, in accordance with the terms of the plan or agreement pursuant to which such Equity Awards or benefits were granted to Executive (items (i) through (iii) above collectively referred to as "**Accrued Employment Entitlements**"), (iv) a lump sum payment equal to twelve (12) months of Executive's full Base Salary, which shall be payable as soon as practicable following the date of termination but not later than March 15 of the first calendar year following the year of such termination; provided, that in the case of Disability such payment shall be offset by the amount of Base Salary paid by the Company to Executive or Executive's personal representative from the date on which Executive was first unable substantially to perform Executive's duties through the date of such termination, and (v) any benefits payable to Executive or Executive's beneficiaries, as applicable, in accordance with the terms of the applicable benefit plan. At the Company's expense, Executive and/or Executive's dependents shall be entitled to continue to

participate in the Company's welfare benefit plans and programs on the same terms as similarly situated actively-employed executives for a period of twelve (12) months from the date of such termination. Executive and/or Executive's dependents shall thereafter be entitled to any continuation of such benefits provided under such benefit plans or by applicable law. Following the death or Disability of Executive, Executive's participation under any Equity Award or other incentive compensation plan (other than Annual Bonuses included in the definition of Accrued Employment Entitlements) shall be governed by the terms of such plans.

(b) "**Disability**" shall mean if, by reason of any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than twelve (12) months, Executive is either (i) unable to engage in any substantial gainful activity; or (ii) receiving income replacement benefits for a period of not less than three (3) months under an accident and health plan covering Company employees. Executive's Disability shall be determined by the Company, in good faith, based upon information supplied by Executive and the physician mutually agreed upon by the Company and Executive. Executive agrees to submit to physical exams and diagnostic tests reasonably recommended by such physician.

5.3 Termination by the Company for Cause or by Executive because of a Voluntary Termination

(a) Executive's employment hereunder may be terminated by the Company for Cause (as hereinafter defined) or by Executive under a Voluntary Termination (as hereinafter defined). If Executive's employment hereunder is terminated under this Section 5.3, Executive shall be entitled to receive all Base Salary due to Executive through the date of termination. Furthermore, all previously vested rights of Executive under an Equity Award or similar incentive compensation plan or program shall be treated in accordance with the terms of such plan or program. Except as specifically set forth in this Section 5.3, the Company shall have no further obligations to Executive following a termination for Cause, or a Voluntary Termination.

(b) "**Cause**" shall mean (i) subject to clause (ii) below, a felony which results in a conviction, a guilty plea or a plea of nolo contendere, (ii) engaging in conduct involving moral turpitude that causes the Company and its affiliates material and demonstrable public disrepute or material and demonstrable economic harm; (iii) a willful material breach of this Agreement by Executive and/or Executive's gross neglect of Executive's duties hereunder which is not cured to the Board's reasonable satisfaction within fifteen (15) days after notice thereof is given to Executive by the Board; or (iv) the intentional wrongful damage to or misappropriation or conversion of material property of the Company or its affiliates. No act or failure to act by the Executive shall be deemed "willful" or "intentional" if done, or omitted to be done, by him in good faith and with the reasonable belief that his action or omission was in the best interest of the Company. Notwithstanding the foregoing, the Company shall not be entitled to terminate Executive for Cause under clause (ii) above, unless (A) the Board shall have made a good faith investigation and can produce demonstrable evidence of the existence of the commission of the fraud, embezzlement or theft which would serve as the basis of Executive's termination for Cause under clause (ii) above, during which investigation the Company may place Executive on a paid administrative leave of absence and (B) no less than 2/3 of the

members of the Board (excluding Executive if Executive is then a member of the Board) shall have made a good faith determination that the Company is entitled to terminate Executive for Cause under clause (ii) above.

(c) “*Voluntary Termination*” shall mean a termination of employment by Executive on Executive’s own initiative other than (i) a termination due to Disability or (ii) a termination for Good Reason.

5.4 Termination by the Company without Cause or by Executive for Good Reason The Company may terminate Executive’s employment hereunder without Cause, and Executive shall be permitted to terminate Executive’s employment hereunder for Good Reason (as hereinafter defined). If the Company terminates Executive’s employment hereunder without Cause, other than due to death or Disability, or if Executive effects a termination for Good Reason, Executive shall be entitled to receive the payments and benefits set forth in this Section 5.4.

(a) If Executive’s employment hereunder is terminated by the Company without Cause, so long as Executive has not breached any of the terms contained in Section 4, Executive shall be entitled to each of the following:

(i) Executive’s Accrued Employment Entitlements;

(ii) two times Executive’s annual Base Salary in effect as of the date of such termination, payable in accordance with the Company’s normal payroll practices for a period of twenty-four (24) months following any such termination; provided, however, that if Executive is, as of the date of such termination, a “specified employee” within the meaning of Section 409A of the Internal Revenue Code of 1986, as amended (the “*Code*”), any amount that is (1) not treated as a short-term deferral within the meaning of Treas. Regs. §1.409A-1(b)(4), and (2) exceeds the separation pay limit under Treas. Regs. §1.409A-1(b)(9)(iii)(A) (two times the lesser of (A) the sum of Executive’s annualized compensation based on Executive’s annual Base Salary for the calendar year preceding the calendar year in which termination occurs (adjusted for any increase during that year that was expected to continue indefinitely if Executive’s employment had not been terminated), or (B) the maximum amount that may be taken into account under a qualified plan pursuant to Code Section 401(a)(17) for the year in which such termination occurs), will not be paid before the date that is six (6) months after such date of termination, or if earlier, the date of Executive’s death. Any payments or benefits to which Executive would otherwise be entitled during such non-payment period will be accumulated and paid or otherwise provided to Executive on the first day of the seventh month following such date of termination, or if earlier, within 30 days of Executive’s death to his surviving spouse (or to his estate if Executive’s spouse does not survive him). For purposes of this Section 5.4(a)(ii) and Section 5.4(b), any amount that is paid as a short-term deferral within the meaning of Treas. Regs. §1.409A-1(b)(4), or within the separation pay limit under Treas. Regs. §1.409A-1(b)(9)(iii)(A) shall be treated as a separate payment, provided the aggregate of the separate payments under this Section 5.4(a)(ii) shall not exceed an amount equal to two times the Executive’s annual

Base Salary in effect as of the date of such termination or for a period in excess of twenty-four (24) months following any such termination.

(iii) an amount equal to the most recent Annual Bonus received by Executive for any fiscal year ended prior to the date of such termination (determined without regard to any performance goals), payable in a lump sum within thirty (30) days following such termination of employment; provided further, that if such termination or resignation occurs within thirty (30) days prior to the calendar year end, the payment, without interest, of the amount paid for a termination by the Company without Cause shall be paid no earlier than January 1 of the next year; and

(iv) Executive and Executive's dependents shall be entitled to continue to participate in the Company's welfare benefit plans and insurance programs on the same terms as similarly situated active employees for a period of twenty-four months from the termination date. Following the expiration of such period, Executive and/or Executive's dependents shall be entitled to any continuation of benefits as are provided under such benefit plans by the Company or as are required to be provided in accordance with applicable law.

(b) If Executive's employment hereunder is terminated by the Executive for Good Reason, so long as Executive has not breached any of the terms contained in Section 4, Executive shall be entitled to the benefits provided in Section 5.4(a), except the severance benefit specified in Section 5.4(a)(ii) (the "**Regular Severance Benefit**") shall be payable in a lump sum (the "**Permitted Lump Sum Benefit**") to the extent it is (1) treated as a short-term deferral within the meaning of Treas. Regs. §1.409A-1(b)(4), or (2) does not exceed the separation pay limit under Treas. Regs. §1.409A-1(b)(9)(iii)(A) (two times the lesser of (A) the sum of Executive's annualized compensation based on Executive's annual Base Salary for the calendar year preceding the calendar year in which termination occurs (adjusted for any increase during that year that was expected to continue indefinitely if Executive's employment had not been terminated), or (B) the maximum amount that may be taken into account under a qualified plan pursuant to Code Section 401(a)(17) for the year in which such termination occurs), as described in Section 5.4(a)(ii). The Permitted Lump Sum Benefit shall be payable within thirty (30) days following such termination of employment; provided further, that if such termination or resignation occurs within thirty (30) days prior to the calendar year end, the payment, without interest, of the Permitted Lump Sum Benefit paid for a termination by Executive for Good Reason shall be paid no earlier than January 1 of the next year and any remaining amount shall be payable in installments in accordance with the Regular Severance Benefit provisions of Section 5.4(a)(ii).

(c) Any outstanding stock options granted to Executive shall be vested and/or exercisable for the period through the date of such termination of employment, and shall remain exercisable, in accordance with the terms contained in the plan and the agreement pursuant to which such option awards were granted. Any outstanding Equity Award (other than stock options) with time based vesting provisions granted to Executive shall be vested on a prorata basis based on the percentage determined by dividing (i) the number of days from and including the grant date of such Equity Award through the termination date of Executive's employment, by (ii) the number of days from the grant date of such Equity Award to the full

vesting date of such Equity Awards. Any Equity Awards with performance based vesting provisions shall remain outstanding through the remainder of the applicable performance period (without regard to any continued employment requirement) and if or to the extent the performance provisions are attained shall become vested without regard to any continued employment requirement on a prorata basis based upon the percentage determined by dividing (i) the number of days from and including the grant date of such Equity Award through the termination date of Executive's employment, by (ii) the number of days from the grant date to the end of the applicable performance period without regard to any continued employment requirement.

(d) For purposes of the calculation of Executive's benefits under any supplemental defined benefit plan in which Executive participates, Executive shall be credited with one additional year of service as a result of termination pursuant to this Section 5.4.

(e) "**Good Reason**" means and shall be deemed to exist if, without the prior written consent of Executive, (i) Executive suffers a significant reduction in duties, responsibilities or effective authority associated with Executive's titles and positions as set forth and described in this Agreement or is assigned any duties or responsibilities inconsistent in any material respect therewith (other than in connection with a termination for Cause); (ii) the Company fails to pay Executive any amounts or provide any benefits required to be paid or provided under this Agreement or is otherwise in material breach of this Agreement; (iii) the Company adversely changes Executive's titles or reporting requirements; (iv) Executive's compensation (other than Base Salary, which is governed by Section 3.1) or benefits provided for hereunder are decreased other than as part of reductions affecting the Company's executives generally; (v) without the approval of Executive, the Board authorizes or otherwise directs the exhibition at any theatres owned or managed by the Company or its Subsidiaries films that are either not rated or rated NC-17, "X" or other rating more restrictive than an "R" rating by The Motion Picture Association of America or any successor industry organization that regularly publishes film ratings or the sale of alcoholic beverages to patrons at any theatres owned or managed by the Company or its Subsidiaries; or (vi) the Company transfers Executive's primary workplace from the Company's headquarters in Dallas/Plano, Texas area. No termination by Executive shall be for "Good Reason" unless written notice of such termination setting forth in particular the event(s) constituting Good Reason is delivered to the Company within thirty (30) days following the date on which the event constituting Good Reason occurs and the Company fails to cure or remedy the event(s) identified in the notice within fifteen (15) days after receipt of such notice; provided, however, violations of (v) above may not be cured by the Company, and Executive's termination for Good Reason upon such violation shall be final and binding.

5.5 Termination During a Change of Control. Notwithstanding Section 5.4, if within one year after a Change of Control (as defined below), executive's employment is terminated by the Company (other than for Disability, death or Cause) or Executive resigns for Good Reason, Executive shall receive the payments and benefits set forth in this Section 5.5:

(a) Executive's Accrued Employment Entitlements; plus

(b) An amount (the "**Section 5.5 Termination Amount**") in addition to any other cash compensation beyond that provided in (a) above, which amount shall be equal to

the sum of two times Executive's annual Base Salary; plus an amount equal to one and one half times the most recent Annual Bonus received by Executive for any fiscal year ended prior to the date of such termination (determined without regard to any performance goals), payable in a lump sum within thirty (30) days following such termination of employment provided further, that if such termination or resignation occurs within thirty (30) days prior to the calendar year end, the payment, without interest, the amount shall be paid no earlier than January 1 of the next year; and

(c) Executive and Executive's dependents shall be entitled to continue to participate in the Company's, a successor's or acquiror's welfare benefit plans and insurance programs on the same terms as similarly situated active employees for a period of thirty (30) months from the termination date. Following the expiration of such thirty (30) month period, Executive and/or Executive's dependents shall be entitled to any continuation of benefits as are provided under such benefit plans by the Company or as are required to be provided in accordance with applicable law.

(d) Any outstanding Equity Awards granted to Executive shall be fully vested and/or exercisable as of the date of such termination of employment and shall remain exercisable, in each case, in accordance with the terms contained in the plan and the agreement pursuant to which such compensation awards were granted, but in no event shall Executive's rights under any such Equity Awards be less favorable than the terms applicable to a Sale of the Company or other change in control contained in the plan and the agreement pursuant to which such Equity Awards were granted.

(e) For purposes of the calculation of Executive's benefits under any supplemental defined benefit plan in which Executive participates, Executive shall be credited with one additional year of service as a result of termination pursuant to this Section 5.5.

(f) A "**Change of Control**" shall be deemed to have occurred upon (i) the date that (A) any individual, entity or group (within the meaning both of Section 1.409A-3(i)(5)(vi)(D) of the Treasury Regulations and of Section 13(d)(3) or 14(d)(2) of the Securities Exchange Act of 1934, as amended (the "**Exchange Act**"), other than Madison Dearborn Capital Partners or any entity or organization controlled by Madison Dearborn Capital Partners (collectively, the "**MDP Entities**") or the Mitchell Family (as defined below), acquires (or has acquired during the 12-month period ending on the date of the most recent acquisition by such individual, entity or group), beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of thirty percent (30%) or more of the total combined voting power of the voting securities of the Company entitled to vote generally in the election of directors ("**Voting Power**"); and (B) such beneficial ownership (as so defined) by such individual, entity or group of more than thirty percent (30%) of the Voting Power then exceeds the combined beneficial ownership (as so defined) of Voting Power of the MDP Entities and the Mitchell Family, (ii) a majority of the members of the Company's Board of Directors shall not be Continuing Directors (as defined below) or (iii) the sale of all or substantially all of the Company's assets.

(g) "Continuing Director" shall mean with respect to any 12-month period, individuals that at the beginning of such period constituted the Board of Directors of the

Company (together with any new directors whose election by such board or whose nomination for election by the stockholders of the Company was approved by a vote of at least a majority of the directors of the Company then still in office who were either directors at the beginning of such period or whose election or nomination was previously so approved).

(h) "Mitchell Family" shall mean (a) Lee Roy or Tandy Mitchell, or the estate of Lee Roy Mitchell or Tandy Mitchell and (b) any trust or other arrangement for the benefit of a Mitchell.

5.6 General Release. Except where the termination is the result of Executive's death and notwithstanding the foregoing, no payment shall be made by the Company to Executive under this Section 5 unless otherwise required by state, local or federal law, until Executive executes a general release of all claims in a form reasonably approved by the Company. The terms of any such general release will not, without the written consent of the Executive, terminate any continuing payment or benefit obligations hereunder by the Company to the Executive. Notwithstanding the foregoing, if the Company fails to deliver a form of general release to the Executive by the forty-fifth (45th) day following the date of termination, the Executive will be deemed to have satisfied the condition of this Section 5.6(a) without being required to execute a general release.

5.7 Office Support. Upon the termination of Executive's employment hereunder for any reason except for Cause, the Company shall make available to Executive, at the Company's expense, an office and support services, (including, without limitation, telephone, telefax and internet access), at the Company's election, either at the Company's main office or at another suitable office space in the Dallas/Plano area, for a period not to exceed three (3) months following the date of such termination.

6. Arbitration.

6.1 General. Any dispute, controversy or claim arising out of or relating to this Agreement, the breach hereof or the coverage or enforceability of this arbitration provision shall be settled by arbitration in Dallas, Texas (or such other location as the Company and Executive may mutually agree), conducted in accordance with the Commercial Arbitration Rules of the American Arbitration Association, as such rules are in effect in Dallas/Fort Worth, Texas on the date of delivery of demand for arbitration. The arbitration of any such issue, including the determination of the amount of any damages suffered by either party hereto by reason of the acts or omissions of the other, shall be to the exclusion of any court of law. Notwithstanding the foregoing, either party hereto may seek any equitable remedy in a court to enforce the provisions of this Agreement, including but not limited to an action for injunctive relief or attachment, without waiving the right to arbitration.

6.2 Procedure.

(a) Either party may demand such arbitration by giving notice of that demand to the other party. The party demanding such arbitration is referred to herein as the "**Demanding Party**," and the party adverse to the Demanding Party is referred to herein as the

“**Responding Party.**” The notice shall state (x) the matter in controversy, and (y) the name of the arbitrator selected by the party giving the notice.

(b) Not more than fifteen (15) days after such notice is given, the Responding Party shall give notice to the Demanding Party of the name of the arbitrator selected by the Responding Party. If the Responding Party shall fail to timely give such notice, the arbitrator that the Responding Party was entitled to select shall be named by the Arbitration Committee of the American Arbitration Association. Not more than fifteen (15) days after the second arbitrator is so named; the two arbitrators shall select a third arbitrator. If the two arbitrators shall fail to timely select a third arbitrator, the third arbitrator shall be named by the Arbitration Committee of the American Arbitration Association.

(c) The dispute shall be arbitrated at a hearing that shall be concluded within ten days immediately following the date the dispute is submitted to arbitration unless a majority of the arbitrators shall elect to extend the period of arbitration. Any award made by a majority of the arbitrators (x) shall be made within ten days following the conclusion of the arbitration hearing, (y) shall be conclusive and binding on the parties, and (z) may be made the subject of a judgment of any court having jurisdiction.

(d) Any amount to which Executive is entitled under this Agreement (including any disputed amount) which is not paid when due shall bear interest from the date due but not paid at a rate equal to the lesser of eight percent (8%) per annum and the maximum lawful rate.

6.3 Costs and Expenses. All administrative and arbitration fees, costs and expenses shall be borne by the Company.

7. Indemnification. To the fullest extent permitted by the indemnification provisions of the certificate of incorporation and bylaws of the Company in effect as of the date of this Agreement and the indemnification provisions of the corporation statute of the jurisdiction of the Company’s incorporation in effect from time to time (collectively, the “**Indemnification Provisions**”), and in each case subject to the conditions thereof, the Company shall (i) indemnify Executive, as a director and/or officer of the Company or a subsidiary of the company or a trustee or fiduciary of an employee benefit plan of the Company or a subsidiary of the Company, or, if Executive shall be serving in such capacity at the Company’s written request, as a director or officer of any other corporation (other than a subsidiary of the company) or as a trustee or fiduciary of an employee benefit plan not sponsored by the Company or a subsidiary of the Company, against all liabilities and reasonable expenses that may be incurred by Executive in any threatened, pending, or completed action, suit or proceeding, whether civil, criminal or administrative, or investigative and whether formal or informal (collectively, “**Claims**”), because Executive is or was a director or officer of the Company, a director or officer of such other corporation or a trustee or fiduciary of such employee benefit plan, and against which Executive may be indemnified by the Company, and (ii) pay for or reimburse within twenty (20) days after request by Executive of the reasonable expenses incurred from time to time by Executive in the defense of any proceeding to which Executive is a party because Executive is or was a director or officer of the Company, a director or officer of such other corporation or a trustee or fiduciary of such employee benefit plan. The Company shall have the right to defend Executive against a

Claim with counsel of its choice reasonably acceptable to Executive so long as (i) the Claim involves primarily money damages, (ii) the Company conducts the defense of the Claim actively and diligently and (iii) there are no conflicts of such counsel representing both the Company and the Executive. So long as the Company is conducting the defense of the Claim, (i) Executive may retain separate co-counsel at his sole cost and expense and participate in the defense of the Claim, (ii) the Company shall not consent to the entry of any judgment or enter into any settlement with respect to the Claim, nor take any voluntary action prejudicial to the determination of the Claim, without the prior written consent of the Executive, such consent not to be unreasonably withheld and (iii) the Company will not consent to the entry of any judgment or enter into any settlement with respect to the Claim unless a written agreement from the party asserting the Claim is obtained releasing the Executive from all liability thereunder. The rights of Executive under the Indemnification Provisions and this Section 7 shall survive the termination of the employment of Executive by the Company.

8. Assignment. This Agreement shall be binding upon and inure to the benefit of the heirs and representatives of Executive and the assigns and successors of the Company, but neither this Agreement nor any rights or obligations hereunder shall be assignable or otherwise subject to hypothecation by Executive (except by will or by operation of the laws of intestate succession) or by the Company, except that the Company may assign this Agreement to any successor (whether by merger, purchase or otherwise) to all or substantially all of the stock, assets or businesses of the Company, if such successor expressly agrees to assume the obligations of the Company hereunder.

9. Remedies. Executive acknowledges that the services Executive is to render under this Agreement are of a unique and special nature, the loss of which cannot reasonably or adequately be compensated for in monetary damages, and that irreparable injury and damage will result to the Company and its Subsidiaries in the event of any default or breach of this Agreement by Executive. The parties agree and acknowledge that the breach by Executive of any of the terms of this Agreement will cause irreparable damage to the Company and its affiliates, and upon any such breach, the Company shall be entitled to injunctive relief, specific performance, or other equitable relief (without posting a bond or other security); provided, however, that this shall in no way limit any other remedies which the Company and its affiliates may have (including, without limitations, the right to seek monetary damages).

10. Survival. The provisions of Sections 4 through 20 shall survive the expiration or earlier termination of the Term.

11. Taxes. All payments to Executive under this Agreement shall be reduced by all applicable withholding required by Federal, state or local law.

12. No Obligation to Mitigate; No Rights of Offset.

12.1 No Obligation to Mitigate. Executive shall not be required to mitigate the amount of any payment or other benefit required to be paid to Executive pursuant to this Agreement, whether by seeking other employment or otherwise, nor shall the amount of any such payment or other benefit be reduced on account of any compensation earned by Executive as a result of employment by another person; provided that Executive and Executive's

dependents shall not be entitled to continue to participate in the welfare benefit plans of the Company and its Subsidiaries if Executive is covered by the welfare benefit plans of another employer.

12.2 No Rights of Offset. The Company's obligation to make the payments provided for in this Agreement and otherwise to perform its obligations hereunder shall not be affected by any set-off, counterclaim, recoupment, defense or other claim, right or action which the Company may have against Executive or others.

13. Notices. Any notice or other communications relating to this Agreement shall be in writing and delivered personally or mailed by certified mail, return receipt requested, or sent by overnight courier, to the party concerned at the address set forth below:

If to Company: 3900 Dallas Parkway, Suite 500
 Plano, Texas 75093
 Attn: Chief Executive Officer

If to Executive: At Executive's residence address as maintained by the Company in the regular course of its business for payroll purposes.

Either party may change the address for the giving of notices at any time by written notice given to the other party under the provisions of this Section 13. If notice is given by personal delivery or overnight courier, said notice shall be conclusively deemed given at the time of such delivery or upon receipt of such couriered notice. If notice is given by mail, such notice shall be conclusively deemed given upon deposit thereof in the United States mail.

14. Entire Agreement. This Agreement constitutes the entire agreement between the parties and supersedes all prior written and oral and all contemporaneous oral agreements, understandings and negotiations with respect to the subject matter hereof. Without limiting the generality of the foregoing sentence, this Agreement supersedes any prior employment agreement, oral or written, including the Employment Agreement, dated as of March 12, 2004, between the Company and Executive, as amended, which shall terminate and be cancelled as of the Effective Date, except for any breaches thereof by Executive prior to the Effective Date which shall survive such termination. This Agreement may not be changed orally, but only by an agreement in writing signed by both parties.

15. Counterparts. This Agreement may be executed in counterparts, each of which shall be an original, but all of which together shall constitute one agreement.

16. Construction. This Agreement shall be governed under and construed in accordance with the laws of the State of Texas, without regard to the principles of conflicts of laws. The paragraph headings and captions contained herein are for reference purposes and convenience only and shall not in any way affect the meaning or interpretation of this Agreement. It is intended by the parties that this Agreement be interpreted in accordance with its fair and simple meaning, not for or against either party, and neither party shall be deemed to be the drafter of this Agreement.

17. Severability. The parties agree that if any provision of this Agreement as applied to any party or to any circumstance is adjudged by a court or arbitrator to be invalid or unenforceable, the same will in no way affect any other circumstance or the validity or enforceability of this Agreement. Without limiting the generality of the foregoing, in particular, if any provision in Section 4, or any part thereof, is held to be unenforceable because of the duration of such provision or the area covered thereby, the parties agree that the court or arbitrator making such determination shall have the power to reduce the duration and/or area of such provision, and/or to delete specific words or phrases, and in its reduced form, such

provision shall then be enforceable and shall be enforced. In addition, in the event of a breach or violation by Executive of Section 4, the Non-compete Period and the Non-solicitation Period shall be automatically extended respectively by the amount of time between the initial occurrence of the breach or violation and when such breach or violation has been duly cured.

18. Binding Effect. Subject to Section 8 hereof, the rights and obligations of the parties under this Agreement shall be binding upon and inure to the benefit of the permitted successors, assigns, heirs, administrators, executors and personal representatives of the parties.

19. Effective Date; Effect on Prior Agreement. This Agreement shall become effective as of the date first above written. This Agreement contains the entire understanding between the parties hereto and supersedes in all respects any prior or other agreement or understanding between the Company or any affiliate of the Company and Executive, including, without limitation, the Employment Agreement, dated as of March 12, 2004, as amended to the date hereof (the "**Prior Agreement**"), by and between Cinemark, Inc. and Executive, which agreement shall terminate in all respects upon the Effective Date.

20. Executive's Cooperation. During the Term and for five (5) years thereafter, Executive shall cooperate with the Company and its Subsidiaries in any internal investigation, any administrative, regulatory or judicial proceeding or investigation or any material dispute with a third party, in each case as reasonably requested by the Company (including, without limitation, Executive's being reasonably available to the Company upon reasonable notice for interviews and factual investigations, appearing at the Company's request to give testimony without requiring service of subpoena or other legal process, volunteering to the Company all pertinent information and turning over to the Company all relevant documents which are or may come into Executive's possession, all at times and on schedules that are reasonably consistent with Executive's other activities and commitments), in each case limited to the extent that such cooperation (a) becomes unduly burdensome for Executive (including in terms of the time commitments required by Executive in connection with such cooperation), (b) in the event that such cooperation is required after the Term, unreasonably interferes with Executive's duties under his then current employment, (c) causes Executive to breach in any material respect any material agreement by which he is bound, or (d) is limited to the extent Executive is advised by legal counsel that such cooperation would not be in Executive's best interests. In the event that the Company requires Executive's cooperation in accordance with this paragraph, the Company shall reimburse Executive solely for: (i) his reasonable out-of-pocket expenses (including travel, lodging and meals) upon submission of receipts and (ii) any reasonable attorneys' fees incurred by Executive to the extent that, after consultation with the Company, Executive deems it advisable to seek the advice of legal counsel regarding his obligations hereunder.

21. Beneficiaries; References. Executive shall be entitled to select (and change, to the extent permitted under any applicable law) a beneficiary or beneficiaries to receive any compensation or benefit payable hereunder following Executive's death, and may change such election, in either case by giving the Company written notice thereof. In the event of Executive's death or a judicial determination of his incompetence, reference in this Agreement to Executive shall be deemed, where appropriate, to refer to his beneficiary, estate or other legal representative, and the Company shall pay amounts payable under this Agreement, unless otherwise provided herein, in accordance with the terms of this Agreement, to Executive's personal or legal representatives, executors, administrators, heirs, distributees, devisees, legatees or estate, as the case may be.

IN WITNESS WHEREOF, the parties have executed this Employment Agreement on the day and in the year first written above.

COMPANY:

CINEMARK HOLDINGS, INC.

By: /s/ Lee Roy Mitchell

Name: Lee Roy Mitchell

Title: Chairman of the Board

EXECUTIVE:

/s/ Alan W. Stock

Alan W. Stock

EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT (this "**Agreement**") is made and entered into as of June 16, 2008, by and between Cinemark Holdings, Inc., a Delaware corporation (the "**Company**"), and Robert Copple ("**Executive**").

WITNESSETH:

WHEREAS, Cinemark, Inc., a wholly owned subsidiary of the Company, and Executive are parties to an Employment Agreement dated as of March 12, 2004, as amended to the date hereof relating to Executive, which arrangement sets forth the terms and conditions of Executive's employment with Cinemark, Inc. (the "**Original Agreement**"); and

WHEREAS, the parties desire to enter into this Agreement to replace and supersede the Original Agreement;

NOW, THEREFORE, in consideration of the mutual promises and covenants set forth herein, the parties hereto agree as follows:

1. **Employment.**

1.1 **Title and Duties.** The Company hereby employs Executive as Executive Vice President and Chief Financial Officer of the Company. Executive's duties, responsibilities and authority shall be consistent with Executive's position and titles and shall include serving in a similar capacity with certain of the Company's Subsidiaries (as hereinafter defined) and such other duties, responsibilities and authority as may be assigned to Executive by the Board of Directors of the Company (the "**Board**"). Executive shall report directly to the Chief Executive Officer of the Company.

1.2 **Services and Exclusivity of Services.** The Company and Executive recognize that the services to be rendered by Executive are of such a nature as to be peculiarly rendered by Executive, encompass the individual ability, managerial skills and business experience of Executive and cannot be measured exclusively in terms of hours or services rendered in any particular period. Executive shall devote Executive's full business time and shall use Executive's best efforts, energy and ability exclusively toward advancing the business, affairs and interests of the Company and its Subsidiaries, and matters related thereto. Nothing in this Agreement shall preclude Executive from serving on boards of directors of up to one other company which is not competitive to the Company upon the Board's approval not to be unreasonably withheld or participating on a board of or in trade organizations, charitable, community, school or religious activities that do not substantially interfere with his duties and responsibilities hereunder or conflict with the interests of the Company.

1.3 **Location of Office.** The Company shall make available to Executive an office and support services at the Company's headquarters in Dallas/Plano, Texas area. Executive's main office shall be at such location.

1.4 **Subsidiaries; Person.** For purposes of this Agreement, "**Subsidiary**" or "**Subsidiaries**" means, as to any Person, any other Person (i) of which such Person or any other

Subsidiary of such Person is a general partner, (ii) of which such Person, any one or more of its other Subsidiaries of such Person, or such Person and any one or more of its other Subsidiaries, directly or indirectly owns or controls securities or other equity interests representing more than fifty percent (50%) of the aggregate voting power, or (iii) of which such Person, any one or more of its other Subsidiaries of such Person, or such Person and any one or more of its other Subsidiaries, possesses the right to elect more than fifty percent (50%) of the board of directors or Persons holding similar positions; and "**Person**" means any individual, corporation, partnership, limited liability company, firm, joint venture, association, joint-stock company, trust, unincorporated organization, or other entity or group (as defined in Section 13(d)(3) of the Securities Exchange Act of 1934, as amended).

2. Term. The term of Executive's employment under this Agreement (the "**Term**") shall commence on the Effective Date (as defined in Section 19) and shall continue for a period of three (3) years thereafter; provided, however, that at the end of each year of the Term, the Term shall be extended for an additional one-year period unless Executive's employment with the Company is terminated in accordance with Section 5. References in this Agreement to the "balance of the Term" shall mean the period of time remaining on the scheduled Term after giving effect to the most recent extension of the Term occurring prior to any termination of the Term.

3. Compensation.

3.1 Base Salary. During the Term, the Company will pay to Executive a base salary at the rate of \$416,000 per year, payable in accordance with the Company's practices in effect from time to time ("**Base Salary**"). Amounts payable shall be reduced by standard withholding and other authorized deductions. Such Base Salary shall be reviewed during the Term for increase (but not decrease) in the sole discretion of the Board, or such individual, group or committee that the Board may select as its delegate, not less frequently than annually during the Term. In conducting any such review, the Board or such delegate shall consider and take into account, among other things, any change in Executive's responsibilities, performance of Executive, the compensation of other similarly situated executives of comparable companies and other pertinent factors. Once increased, Executive's Base Salary shall not be decreased except upon mutual agreement between the parties, and, as so increased, shall constitute Base Salary hereunder.

3.2 Bonuses; Incentive, Savings and Retirement Plans; Welfare Benefit Plans.

(a) Executive shall be entitled to participate in all annual and long-term bonuses and incentive, savings and retirement plans generally available to other similarly situated executive employees of the Company. Executive, and Executive's family as the case may be, shall be eligible to participate in and receive all benefits under welfare benefit plans, practices, programs and policies provided to the Chief Executive Officer, the President, other Executive Vice Presidents and other Senior Vice Presidents of the Company, including, without limitation, medical, prescription, dental, disability, salary continuance, employee life, group life, accidental death and travel accident insurance plans and programs. The Company reserves the right to modify, suspend or discontinue any and all of its benefits referred to in this

Section 3.2 at any time without recourse by Executive so long as such action is taken generally with respect to other executives and does not single out Executive.

(b) In addition to his Base Salary, for each fiscal year ending during the Term, Executive will be entitled to participate in the Cinemark Holdings, Inc. Performance Bonus Plan (the “**Annual Bonus Plan**”), as such Annual Bonus Plan may be amended from time to time, or pursuant to the terms of any successor plan. If the performance targets specified by the Compensation Committee of the Board are satisfied, Executive will receive an annual incentive cash bonus (the “**Annual Bonus**”) based upon the award opportunity parameters and performance targets established by the Compensation Committee of the Board pursuant to the terms of the Annual Bonus Plan. The amount of the Annual Bonus award opportunity and the performance targets that must be satisfied to receive such Annual Bonus award will be established by the Compensation Committee, in its sole discretion, each fiscal year pursuant to the terms of the Annual Bonus Plan. All such Annual Bonus award payments will be payable as specified pursuant to the terms of the Annual Bonus Plan and will be reduced by standard withholding and other authorized deductions.

(c) Equity Awards. Executive will be eligible to participate in and receive grants of equity incentive awards (“**Equity Awards**”) under the Company’s Amended and Restated 2006 Long Term Incentive Plan (the “**Equity Incentive Plan**”), as such Equity Incentive Plan may be amended from time to time, or pursuant to the terms of any successor plan. Equity Awards to Executive may be granted at such times and subject to such terms and conditions as the Equity Incentive Plan administrator shall determine. Executive has received prior grants of Stock Options which shall continue to be subject to the terms of this Agreement provided herein. Upon the consummation of a Sale of the Company, Executive’s Equity Awards will accelerate and become fully vested (assuming Executive is then, and has been continuously, employed by the Company or any of its Subsidiaries). For purposes hereof, “**Sale of the Company**” is defined and has the meaning specified in the Equity Incentive Plan.

3.3 Fringe Benefits. Executive shall be entitled to receive fringe benefits consistent with Executive’s duties and position, and in accordance with the benefits provided to other similarly situated executive employees of the Company. The Company reserves the right to modify, suspend or discontinue any and all of its fringe benefits referred to in this Section 3.3 at any time without recourse by Executive so long as such action is taken generally with respect to other similarly situated peer executives and does not single out Executive.

3.4 Travel and Expenses. Executive shall be entitled to reimbursement for expenses incurred in the furtherance of the business of the Company in accordance with the Company’s practices and procedures, as they may exist from time to time. Executive may, in his discretion, elect to purchase, and be reimbursed for, business class tickets on any international flights for which scheduled flight time exceeds five hours. Executive shall keep complete and accurate records of all expenditures such that Executive may substantiate and fully account for such expenses according to the Company’s practices and procedures.

3.5 Vacation. Executive shall be entitled to no less than twenty (20) days paid vacation and other absences from work in accordance with the Company’s vacation and absence

policy in effect at the time of such vacations or absences which shall be taken at such times as are consistent with Executive's responsibilities hereunder.

3.6 Payment of Compensation and Benefits. Executive acknowledges and agrees that all payments required to be paid to Executive and benefits to be provided to Executive may be paid or provided by the Company, its successor or any other Subsidiary of the Company.

4. Confidential Information; Non-Competition; Non-Solicitation.

4.1 General. Executive acknowledges that during his employment and as a result of his relationship with the Company and its affiliates, Executive has obtained and will obtain knowledge of, and has been given and will be given access to, information, including, but not limited to, information regarding the business, operations, services, proposed services, business processes, advertising, marketing and promotional plans and materials, price lists, pricing policies, ticket sales, film licensing, purchasing, real estate acquisition and leasing, other financial information and other trade secrets, confidential information and proprietary material of the Company and its affiliates or designated as being confidential by the Company or its affiliates which are not generally known to non-Company personnel, including information and material originated, discovered or developed in whole or in part by Executive (collectively referred to herein as "**Confidential Information**"). The term "Confidential Information" does not include any information which (i) at the time of disclosure is generally available to the public (other than as a result of a disclosure by Executive in breach of this Agreement), or (ii) was available to Executive on a non-confidential basis from a source (other than the Company or its Affiliates or their representatives) that is not and was not prohibited from disclosing such information to Executive by a contractual, legal or fiduciary obligation. Executive agrees that during the Term and, to the fullest extent permitted by law, thereafter, Executive will, in a fiduciary capacity for the benefit of the Company and its affiliates, hold all Confidential Information strictly in confidence and will not directly or indirectly reveal, report, disclose, publish or transfer any of such Confidential Information to any Person, or utilize any of the Confidential Information for any purpose, except in furtherance of Executive's employment under this Agreement and except to the extent that Executive may be required by law to disclose any Confidential Information. Executive acknowledges that the Company and its affiliates are providing Executive additional Confidential Information that Executive was not given prior to execution of this Agreement, as further consideration to Executive for executing this Agreement, including the promises and covenants made by Executive in this Section 4.

4.2 Non-Competition. In further consideration of the compensation to be paid to Executive hereunder, Executive acknowledges that during the course of his employment with the Company and its Subsidiaries, he has, and will, become familiar with the trade secrets of the Company and its Subsidiaries and with other Confidential Information concerning the Company and its Subsidiaries and that his services have been and shall continue to be of special, unique and extraordinary value to the Company and its Subsidiaries. Therefore, Executive agrees that, during Executive's employment hereunder and for one year after the date of termination of employment (the "**Non-compete Period**"), he shall not directly or indirectly own any interest in, manage, control, participate in, consult with, render services for, be employed in an executive, managerial or administrative capacity by, or in any manner engage in, any Competing Business.

For purposes hereof, "**Competing Business**" means any business that owns, operates or manages any movie theatre within a 25-mile radius (if such theatre is outside of a Major DMA) or a 10-mile radius (if such theatre is within a Major DMA) of any theatre (i) being operated by the Company or any of its Subsidiaries during Executive's employment hereunder (but excluding any theatres which the Company and its Subsidiaries have ceased to operate as of the date of the termination of Executive's employment hereunder), or (ii) under consideration by the Company or any of its Subsidiaries for opening as of the date of termination of employment; "**Major DMA**" means a Designated Market Area with a number of households in excess of 700,000; "**Designated Market Area**" means each of those certain geographic market areas for the United States designated as such by Nielsen Media Research, Inc. ("**Nielsen**"), as modified from time to time by Nielsen, whereby Nielsen divides the United States into non-overlapping geography for planning, buying and evaluating television audiences across various markets and whereby a county in the United States is exclusively assigned, on the basis of the television viewing habits of the people residing in the county, to one and only one Designated Market Area; and all theatres operated by the Company and its Subsidiaries in Canada shall be treated as being outside of a Major DMA. Nothing herein shall prohibit Executive from (i) being a passive owner of not more than five percent (5%) of the outstanding stock of any class of a corporation which is publicly traded, so long as Executive has no active participation in the business of such corporation, or (ii) during the one year period following the termination of Executive's employment, owning, operating or investing in up to five (5) movie theatres, so long as each such theatre is outside of a 25-mile radius of the theatres being operated by the Company or any of its Subsidiaries or under consideration by the Company or any of its Subsidiaries for opening, in each case, as of the time of termination of Executive's employment. During the one-year period following the termination of Executive's employment for any reason, Executive shall provide reasonable notice to the Company of his plans for acquiring ownership in, commencing operations of, or investing in, any movie theatre prior to any such event. Notwithstanding the foregoing, Executive's obligations under this Section 4.2 shall terminate and become null and void if Executive terminates his employment with Good Reason.

4.3 **Proprietary Interest.** All inventions, designs, improvements, patents, copyrights and discoveries conceived by Executive during Executive's employment by the Company or its affiliates that are useful in or directly or indirectly related to the business of the Company and its affiliates or to any experimental work carried on by the Company or its affiliates, shall be the property of the Company and its affiliates. Executive will promptly and fully disclose to the Company or its affiliates all such inventions, designs, improvements, patents, copyrights and discoveries (whether developed individually or with other persons) and shall take all steps necessary and reasonably required to assure the Company's or such affiliate's ownership thereof and to assist the Company and its affiliates in protecting or defending the Company's or such affiliate's proprietary rights therein.

4.4 **Return of Materials.** Executive expressly acknowledges that all data, books, records and other Confidential Information of the Company and its affiliates obtained in connection with the Company's business is the exclusive property of the Company or its affiliates and that upon the termination of Executive's employment by the Company or its affiliates, Executive will immediately surrender and return to the Company or its affiliates all such items and all other property belonging to the Company or its affiliates then in the possession of Executive, and Executive shall not make or retain any copies thereof.

4.5 Property of the Company. Executive acknowledges that from time to time in the course of providing services pursuant to this Agreement, Executive shall have the opportunity to inspect and use certain property, both tangible and intangible, of the Company and its affiliates and Executive hereby agrees that such property shall remain the exclusive property of the Company and its affiliates. Executive shall have no right or proprietary interest in such property, whether tangible or intangible, including, without limitation, Executive's customer and supplier lists, contract forms, books of account, computer programs and similar property.

4.6 Reasonable in Scope and Duration; Consideration. Executive agrees and acknowledges that the restrictions contained in this Section 4 are reasonable in scope and duration and are necessary to protect the business interests and Confidential Information of the Company and its affiliates after the Effective Date of this Agreement, and Executive further agrees and acknowledges that he has reviewed the provisions of this Agreement with his legal counsel. Executive acknowledges and agrees that Executive will receive substantial, valuable consideration from the Company for the covenants contained in this Section 4, including without limitation, compensation and other benefits.

5. Termination.

5.1 Termination Prior to Expiration of Term. Notwithstanding anything to the contrary contained in Section 2, Executive's employment may be terminated prior to the expiration of the Term only as provided in this Section 5.

5.2 Death or Disability.

(a) The Company may terminate Executive's employment hereunder due to death or Disability (as defined below). If Executive's employment hereunder is terminated as a result of death or Disability, Executive (or Executive's estate or personal representative in the event of death) shall be entitled to receive (i) all Base Salary due to Executive through the date of termination, (ii) the actual bonus, if any, he would have received in respect of the fiscal year in which his termination occurs, prorated by a fraction, the numerator of which is the number of days in such fiscal year prior to the date of Executive's termination and the denominator of which is 365, payable at the same time as any Annual Bonus payments are made to other similarly situated active executives pursuant to the terms of the Annual Bonus Plan and subject to satisfaction of the performance targets for such fiscal year, (iii) any previously vested Equity Awards and benefits, such as retirement benefits and vacation pay, in accordance with the terms of the plan or agreement pursuant to which such Equity Awards or benefits were granted to Executive (items (i) through (iii) above collectively referred to as "**Accrued Employment Entitlements**"), (iv) a lump sum payment equal to twelve (12) months of Executive's full Base Salary, which shall be payable as soon as practicable following the date of termination but not later than March 15 of the first calendar year following the year of such termination; provided, that in the case of Disability such payment shall be offset by the amount of Base Salary paid by the Company to Executive or Executive's personal representative from the date on which Executive was first unable substantially to perform Executive's duties through the date of such termination, and (v) any benefits payable to Executive or Executive's beneficiaries, as applicable, in accordance with the terms of the applicable benefit plan. At the Company's expense, Executive and/or Executive's dependents shall be entitled to continue to

participate in the Company's welfare benefit plans and programs on the same terms as similarly situated actively-employed executives for a period of twelve (12) months from the date of such termination. Executive and/or Executive's dependents shall thereafter be entitled to any continuation of such benefits provided under such benefit plans or by applicable law. Following the death or Disability of Executive, Executive's participation under any Equity Award or other incentive compensation plan (other than Annual Bonuses included in the definition of Accrued Employment Entitlements) shall be governed by the terms of such plans.

(b) "**Disability**" shall mean if, by reason of any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than twelve (12) months, Executive is either (i) unable to engage in any substantial gainful activity; or (ii) receiving income replacement benefits for a period of not less than three (3) months under an accident and health plan covering Company employees. Executive's Disability shall be determined by the Company, in good faith, based upon information supplied by Executive and the physician mutually agreed upon by the Company and Executive. Executive agrees to submit to physical exams and diagnostic tests reasonably recommended by such physician.

5.3 Termination by the Company for Cause or by Executive because of a Voluntary Termination

(a) Executive's employment hereunder may be terminated by the Company for Cause (as hereinafter defined) or by Executive under a Voluntary Termination (as hereinafter defined). If Executive's employment hereunder is terminated under this Section 5.3, Executive shall be entitled to receive all Base Salary due to Executive through the date of termination. Furthermore, all previously vested rights of Executive under an Equity Award or similar incentive compensation plan or program shall be treated in accordance with the terms of such plan or program. Except as specifically set forth in this Section 5.3, the Company shall have no further obligations to Executive following a termination for Cause, or a Voluntary Termination.

(b) "**Cause**" shall mean (i) subject to clause (ii) below, a felony which results in a conviction, a guilty plea or a plea of nolo contendere, (ii) engaging in conduct involving moral turpitude that causes the Company and its affiliates material and demonstrable public disrepute or material and demonstrable economic harm; (iii) a willful material breach of this Agreement by Executive and/or Executive's gross neglect of Executive's duties hereunder which is not cured to the Board's reasonable satisfaction within fifteen (15) days after notice thereof is given to Executive by the Board; or (iv) the intentional wrongful damage to or misappropriation or conversion of material property of the Company or its affiliates. No act or failure to act by the Executive shall be deemed "willful" or "intentional" if done, or omitted to be done, by him in good faith and with the reasonable belief that his action or omission was in the best interest of the Company. Notwithstanding the foregoing, the Company shall not be entitled to terminate Executive for Cause under clause (ii) above, unless (A) the Board shall have made a good faith investigation and can produce demonstrable evidence of the existence of the commission of the fraud, embezzlement or theft which would serve as the basis of Executive's termination for Cause under clause (ii) above, during which investigation the Company may place Executive on a paid administrative leave of absence and (B) no less than 2/3 of the

members of the Board (excluding Executive if Executive is then a member of the Board) shall have made a good faith determination that the Company is entitled to terminate Executive for Cause under clause (ii) above.

(c) “*Voluntary Termination*” shall mean a termination of employment by Executive on Executive’s own initiative other than (i) a termination due to Disability or (ii) a termination for Good Reason.

5.4 Termination by the Company without Cause or by Executive for Good Reason The Company may terminate Executive’s employment hereunder without Cause, and Executive shall be permitted to terminate Executive’s employment hereunder for Good Reason (as hereinafter defined). If the Company terminates Executive’s employment hereunder without Cause, other than due to death or Disability, or if Executive effects a termination for Good Reason, Executive shall be entitled to receive the payments and benefits set forth in this Section 5.4.

(a) If Executive’s employment hereunder is terminated by the Company without Cause, so long as Executive has not breached any of the terms contained in Section 4, Executive shall be entitled to each of the following:

(i) Executive’s Accrued Employment Entitlements;

(ii) two times Executive’s annual Base Salary in effect as of the date of such termination, payable in accordance with the Company’s normal payroll practices for a period of twenty-four (24) months following any such termination; provided, however, that if Executive is, as of the date of such termination, a “specified employee” within the meaning of Section 409A of the Internal Revenue Code of 1986, as amended (the “*Code*”), any amount that is (1) not treated as a short-term deferral within the meaning of Treas. Regs. §1.409A-1(b)(4), and (2) exceeds the separation pay limit under Treas. Regs. §1.409A-1(b)(9)(iii)(A) (two times the lesser of (A) the sum of Executive’s annualized compensation based on Executive’s annual Base Salary for the calendar year preceding the calendar year in which termination occurs (adjusted for any increase during that year that was expected to continue indefinitely if Executive’s employment had not been terminated), or (B) the maximum amount that may be taken into account under a qualified plan pursuant to Code Section 401(a)(17) for the year in which such termination occurs), will not be paid before the date that is six (6) months after such date of termination, or if earlier, the date of Executive’s death. Any payments or benefits to which Executive would otherwise be entitled during such non-payment period will be accumulated and paid or otherwise provided to Executive on the first day of the seventh month following such date of termination, or if earlier, within 30 days of Executive’s death to his surviving spouse (or to his estate if Executive’s spouse does not survive him). For purposes of this Section 5.4(a)(ii) and Section 5.4(b), any amount that is paid as a short-term deferral within the meaning of Treas. Regs. §1.409A-1(b)(4), or within the separation pay limit under Treas. Regs. §1.409A-1(b)(9)(iii)(A) shall be treated as a separate payment, provided the aggregate of the separate payments under this Section 5.4(a)(ii) shall not exceed an amount equal to two times the Executive’s annual

Base Salary in effect as of the date of such termination or for a period in excess of twenty-four (24) months following any such termination.

(iii) an amount equal to the most recent Annual Bonus received by Executive for any fiscal year ended prior to the date of such termination (determined without regard to any performance goals), payable in a lump sum within thirty (30) days following such termination of employment; provided further, that if such termination or resignation occurs within thirty (30) days prior to the calendar year end, the payment, without interest, of the amount paid for a termination by the Company without Cause shall be paid no earlier than January 1 of the next year; and

(iv) Executive and Executive's dependents shall be entitled to continue to participate in the Company's welfare benefit plans and insurance programs on the same terms as similarly situated active employees for a period of twenty-four months from the termination date. Following the expiration of such period, Executive and/or Executive's dependents shall be entitled to any continuation of benefits as are provided under such benefit plans by the Company or as are required to be provided in accordance with applicable law.

(b) If Executive's employment hereunder is terminated by the Executive for Good Reason, so long as Executive has not breached any of the terms contained in Section 4, Executive shall be entitled to the benefits provided in Section 5.4(a), except the severance benefit specified in Section 5.4(a)(ii) (the "**Regular Severance Benefit**") shall be payable in a lump sum (the "**Permitted Lump Sum Benefit**") to the extent it is (1) treated as a short-term deferral within the meaning of Treas. Regs. §1.409A-1(b)(4), or (2) does not exceed the separation pay limit under Treas. Regs. §1.409A-1(b)(9)(iii)(A) (two times the lesser of (A) the sum of Executive's annualized compensation based on Executive's annual Base Salary for the calendar year preceding the calendar year in which termination occurs (adjusted for any increase during that year that was expected to continue indefinitely if Executive's employment had not been terminated), or (B) the maximum amount that may be taken into account under a qualified plan pursuant to Code Section 401(a)(17) for the year in which such termination occurs), as described in Section 5.4(a)(ii). The Permitted Lump Sum Benefit shall be payable within thirty (30) days following such termination of employment; provided further, that if such termination or resignation occurs within thirty (30) days prior to the calendar year end, the payment, without interest, of the Permitted Lump Sum Benefit paid for a termination by Executive for Good Reason shall be paid no earlier than January 1 of the next year and any remaining amount shall be payable in installments in accordance with the Regular Severance Benefit provisions of Section 5.4(a)(ii).

(c) Any outstanding stock options granted to Executive shall be vested and/or exercisable for the period through the date of such termination of employment, and shall remain exercisable, in accordance with the terms contained in the plan and the agreement pursuant to which such option awards were granted. Any outstanding Equity Award (other than stock options) with time based vesting provisions granted to Executive shall be vested on a prorata basis based on the percentage determined by dividing (i) the number of days from and including the grant date of such Equity Award through the termination date of Executive's employment, by (ii) the number of days from the grant date of such Equity Award to the full

vesting date of such Equity Awards. Any Equity Awards with performance based vesting provisions shall remain outstanding through the remainder of the applicable performance period (without regard to any continued employment requirement) and if or to the extent the performance provisions are attained shall become vested without regard to any continued employment requirement on a prorata basis based upon the percentage determined by dividing (i) the number of days from and including the grant date of such Equity Award through the termination date of Executive's employment, by (ii) the number of days from the grant date to the end of the applicable performance period without regard to any continued employment requirement.

(d) For purposes of the calculation of Executive's benefits under any supplemental defined benefit plan in which Executive participates, Executive shall be credited with one additional year of service as a result of termination pursuant to this Section 5.4.

(e) "**Good Reason**" means and shall be deemed to exist if, without the prior written consent of Executive, (i) Executive suffers a significant reduction in duties, responsibilities or effective authority associated with Executive's titles and positions as set forth and described in this Agreement or is assigned any duties or responsibilities inconsistent in any material respect therewith (other than in connection with a termination for Cause); (ii) the Company fails to pay Executive any amounts or provide any benefits required to be paid or provided under this Agreement or is otherwise in material breach of this Agreement; (iii) the Company adversely changes Executive's titles or reporting requirements; (iv) Executive's compensation opportunity (other than Base Salary, which is governed by Section 3.1) or benefits provided for hereunder are materially decreased; or (v) the Company transfers Executive's primary workplace from the Company's headquarters in Dallas/Plano, Texas area. No termination by Executive shall be for "Good Reason" unless written notice of such termination setting forth in particular the event(s) constituting Good Reason is delivered to the Company within thirty (30) days following the date on which the event constituting Good Reason occurs and the Company fails to cure or remedy the event(s) identified in the notice within thirty (30) days after receipt of such notice.

5.5 Termination During a Change of Control. Notwithstanding Section 5.4, if within one year after a Change of Control (as defined below), executive's employment is terminated by the Company (other than for Disability, death or Cause) or Executive resigns for Good Reason, Executive shall receive the payments and benefits set forth in this Section 5.5:

(a) Executive's Accrued Employment Entitlements; plus

(b) An amount (the "**Section 5.5 Termination Amount**") in addition to any other cash compensation beyond that provided in (a) above, which amount shall be equal to the sum of two times Executive's annual Base Salary; plus an amount equal to one and one half times the most recent Annual Bonus received by Executive for any fiscal year ended prior to the date of such termination (determined without regard to any performance goals), payable in a lump sum within thirty (30) days following such termination of employment provided further, that if such termination or resignation occurs within thirty (30) days prior to the calendar year end, the payment, without interest, the amount shall be paid no earlier than January 1 of the next year; and

(c) Executive and Executive's dependents shall be entitled to continue to participate in the Company's, a successor's or acquiror's welfare benefit plans and insurance programs on the same terms as similarly situated active employees for a period of thirty (30) months from the termination date. Following the expiration of such thirty (30) month period, Executive and/or Executive's dependents shall be entitled to any continuation of benefits as are provided under such benefit plans by the Company or as are required to be provided in accordance with applicable law.

(d) Any outstanding Equity Awards granted to Executive shall be fully vested and/or exercisable as of the date of such termination of employment and shall remain exercisable, in each case, in accordance with the terms contained in the plan and the agreement pursuant to which such compensation awards were granted, but in no event shall Executive's rights under any such Equity Awards be less favorable than the terms applicable to a Sale of the Company or other change in control contained in the plan and the agreement pursuant to which such Equity Awards were granted.

(e) For purposes of the calculation of Executive's benefits under any supplemental defined benefit plan in which Executive participates, Executive shall be credited with one additional year of service as a result of termination pursuant to this Section 5.5.

(f) A "**Change of Control**" shall be deemed to have occurred upon (i) the date that (A) any individual, entity or group (within the meaning both of Section 1.409A-3(i)(5)(vi)(D) of the Treasury Regulations and of Section 13(d)(3) or 14(d)(2) of the Securities Exchange Act of 1934, as amended (the "**Exchange Act**"), other than Madison Dearborn Capital Partners or any entity or organization controlled by Madison Dearborn Capital Partners (collectively, the "**MDP Entities**") or the Mitchell Family (as defined below), acquires (or has acquired during the 12-month period ending on the date of the most recent acquisition by such individual, entity or group), beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of thirty percent (30%) or more of the total combined voting power of the voting securities of the Company entitled to vote generally in the election of directors ("**Voting Power**"); and (B) such beneficial ownership (as so defined) by such individual, entity or group of more than thirty percent (30%) of the Voting Power then exceeds the combined beneficial ownership (as so defined) of Voting Power of the MDP Entities and the Mitchell Family, (ii) a majority of the members of the Company's Board of Directors shall not be Continuing Directors (as defined below) or (iii) the sale of all or substantially all of the Company's assets.

(g) "Continuing Director" shall mean with respect to any 12-month period, individuals that at the beginning of such period constituted the Board of Directors of the Company (together with any new directors whose election by such board or whose nomination for election by the stockholders of the Company was approved by a vote of at least a majority of the directors of the Company then still in office who were either directors at the beginning of such period or whose election or nomination was previously so approved).

(h) "Mitchell Family" shall mean (a) Lee Roy or Tandy Mitchell, or the estate of Lee Roy Mitchell or Tandy Mitchell and (b) any trust or other arrangement for the benefit of a Mitchell.

5.6 General Release. Except where the termination is the result of Executive's death and notwithstanding the foregoing, no payment shall be made by the Company to Executive under this Section 5 unless otherwise required by state, local or federal law, until Executive executes a general release of all claims in a form reasonably approved by the Company. The terms of any such general release will not, without the written consent of the Executive, terminate any continuing payment or benefit obligations hereunder by the Company to the Executive. Notwithstanding the foregoing, if the Company fails to deliver a form of general release to the Executive by the forty-fifth (45th) day following the date of termination, the Executive will be deemed to have satisfied the condition of this Section 5.6(a) without being required to execute a general release.

5.7 Office Support. Upon the termination of Executive's employment hereunder for any reason except for Cause, the Company shall make available to Executive, at the Company's expense, an office and support services, (including, without limitation, telephone, telefax and internet access), at the Company's election, either at the Company's main office or at another suitable office space in the Dallas/Plano area, for a period not to exceed three (3) months following the date of such termination.

6. Arbitration.

6.1 General. Any dispute, controversy or claim arising out of or relating to this Agreement, the breach hereof or the coverage or enforceability of this arbitration provision shall be settled by arbitration in Dallas, Texas (or such other location as the Company and Executive may mutually agree), conducted in accordance with the Commercial Arbitration Rules of the American Arbitration Association, as such rules are in effect in Dallas/Fort Worth, Texas on the date of delivery of demand for arbitration. The arbitration of any such issue, including the determination of the amount of any damages suffered by either party hereto by reason of the acts or omissions of the other, shall be to the exclusion of any court of law. Notwithstanding the foregoing, either party hereto may seek any equitable remedy in a court to enforce the provisions of this Agreement, including but not limited to an action for injunctive relief or attachment, without waiving the right to arbitration.

6.2 Procedure.

(a) Either party may demand such arbitration by giving notice of that demand to the other party. The party demanding such arbitration is referred to herein as the "***Demanding Party***," and the party adverse to the Demanding Party is referred to herein as the "***Responding Party***." The notice shall state (x) the matter in controversy, and (y) the name of the arbitrator selected by the party giving the notice.

(b) Not more than fifteen (15) days after such notice is given, the Responding Party shall give notice to the Demanding Party of the name of the arbitrator selected by the Responding Party. If the Responding Party shall fail to timely give such notice, the arbitrator that the Responding Party was entitled to select shall be named by the Arbitration Committee of the American Arbitration Association. Not more than fifteen (15) days after the second arbitrator is so named; the two arbitrators shall select a third arbitrator. If the two

arbitrators shall fail to timely select a third arbitrator, the third arbitrator shall be named by the Arbitration Committee of the American Arbitration Association.

(c) The dispute shall be arbitrated at a hearing that shall be concluded within ten days immediately following the date the dispute is submitted to arbitration unless a majority of the arbitrators shall elect to extend the period of arbitration. Any award made by a majority of the arbitrators (x) shall be made within ten days following the conclusion of the arbitration hearing, (y) shall be conclusive and binding on the parties, and (z) may be made the subject of a judgment of any court having jurisdiction.

(d) Any amount to which Executive is entitled under this Agreement (including any disputed amount) which is not paid when due shall bear interest from the date due but not paid at a rate equal to the lesser of eight percent (8%) per annum and the maximum lawful rate.

6.3 Costs and Expenses. All administrative and arbitration fees, costs and expenses shall be borne by the Company.

7. Indemnification. To the fullest extent permitted by the indemnification provisions of the certificate of incorporation and bylaws of the Company in effect as of the date of this Agreement and the indemnification provisions of the corporation statute of the jurisdiction of the Company's incorporation in effect from time to time (collectively, the "Indemnification Provisions"), and in each case subject to the conditions thereof, the Company shall (i) indemnify Executive, as a director and/or officer of the Company or a subsidiary of the company or a trustee or fiduciary of an employee benefit plan of the Company or a subsidiary of the Company, or, if Executive shall be serving in such capacity at the Company's written request, as a director or officer of any other corporation (other than a subsidiary of the company) or as a trustee or fiduciary of an employee benefit plan not sponsored by the Company or a subsidiary of the Company, against all liabilities and reasonable expenses that may be incurred by Executive in any threatened, pending, or completed action, suit or proceeding, whether civil, criminal or administrative, or investigative and whether formal or informal (collectively, "Claims"), because Executive is or was a director or officer of the Company, a director or officer of such other corporation or a trustee or fiduciary of such employee benefit plan, and against which Executive may be indemnified by the Company, and (ii) pay for or reimburse within twenty (20) days after request by Executive of the reasonable expenses incurred from time to time by Executive in the defense of any proceeding to which Executive is a party because Executive is or was a director or officer of the Company, a director or officer of such other corporation or a trustee or fiduciary of such employee benefit plan. The Company shall have the right to defend Executive against a Claim with counsel of its choice reasonably acceptable to Executive so long as (i) the Claim involves primarily money damages, (ii) the Company conducts the defense of the Claim actively and diligently and (iii) there are no conflicts of such counsel representing both the Company and the Executive. So long as the Company is conducting the defense of the Claim, (i) Executive may retain separate co-counsel at his sole cost and expense and participate in the defense of the Claim, (ii) the Company shall not consent to the entry of any judgment or enter into any settlement with respect to the Claim, nor take any voluntary action prejudicial to the determination of the Claim, without the prior written consent of the Executive, such consent not to be unreasonably withheld and (iii) the Company will not consent to the entry of any judgment

or enter into any settlement with respect to the Claim unless a written agreement from the party asserting the Claim is obtained releasing the Executive from all liability thereunder. The rights of Executive under the Indemnification Provisions and this Section 7 shall survive the termination of the employment of Executive by the Company.

8. Assignment. This Agreement shall be binding upon and inure to the benefit of the heirs and representatives of Executive and the assigns and successors of the Company, but neither this Agreement nor any rights or obligations hereunder shall be assignable or otherwise subject to hypothecation by Executive (except by will or by operation of the laws of intestate succession) or by the Company, except that the Company may assign this Agreement to any successor (whether by merger, purchase or otherwise) to all or substantially all of the stock, assets or businesses of the Company, if such successor expressly agrees to assume the obligations of the Company hereunder.

9. Remedies. Executive acknowledges that the services Executive is to render under this Agreement are of a unique and special nature, the loss of which cannot reasonably or adequately be compensated for in monetary damages, and that irreparable injury and damage will result to the Company and its Subsidiaries in the event of any default or breach of this Agreement by Executive. The parties agree and acknowledge that the breach by Executive of any of the terms of this Agreement will cause irreparable damage to the Company and its affiliates, and upon any such breach, the Company shall be entitled to injunctive relief, specific performance, or other equitable relief (without posting a bond or other security); provided, however, that this shall in no way limit any other remedies which the Company and its affiliates may have (including, without limitations, the right to seek monetary damages).

10. Survival. The provisions of Sections 4 through 20 shall survive the expiration or earlier termination of the Term.

11. Taxes. All payments to Executive under this Agreement shall be reduced by all applicable withholding required by Federal, state or local law.

12. No Obligation to Mitigate; No Rights of Offset.

12.1 No Obligation to Mitigate. Executive shall not be required to mitigate the amount of any payment or other benefit required to be paid to Executive pursuant to this Agreement, whether by seeking other employment or otherwise, nor shall the amount of any such payment or other benefit be reduced on account of any compensation earned by Executive as a result of employment by another person; provided that Executive and Executive's dependents shall not be entitled to continue to participate in the welfare benefit plans of the Company and its Subsidiaries if Executive is covered by the welfare benefit plans of another employer.

12.2 No Rights of Offset. The Company's obligation to make the payments provided for in this Agreement and otherwise to perform its obligations hereunder shall not be affected by any set-off, counterclaim, recoupment, defense or other claim, right or action which the Company may have against Executive or others.

13. Notices. Any notice or other communications relating to this Agreement shall be in writing and delivered personally or mailed by certified mail, return receipt requested, or sent by overnight courier, to the party concerned at the address set forth below:

If to Company: 3900 Dallas Parkway, Suite 500
 Plano, Texas 75093
 Attn: Chief Executive Officer

If to Executive: At Executive's residence address as maintained by the Company in the regular course of its business for payroll purposes.

Either party may change the address for the giving of notices at any time by written notice given to the other party under the provisions of this Section 13. If notice is given by personal delivery or overnight courier, said notice shall be conclusively deemed given at the time of such delivery or upon receipt of such couriered notice. If notice is given by mail, such notice shall be conclusively deemed given upon deposit thereof in the United States mail.

14. Entire Agreement. This Agreement constitutes the entire agreement between the parties and supersedes all prior written and oral and all contemporaneous oral agreements, understandings and negotiations with respect to the subject matter hereof. Without limiting the generality of the foregoing sentence, this Agreement supersedes any prior employment agreement, oral or written, including the Employment Agreement, dated as of March 12, 2004, between the Company and Executive, as amended, which shall terminate and be cancelled as of the Effective Date, except for any breaches thereof by Executive prior to the Effective Date which shall survive such termination. This Agreement may not be changed orally, but only by an agreement in writing signed by both parties.

15. Counterparts. This Agreement may be executed in counterparts, each of which shall be an original, but all of which together shall constitute one agreement.

16. Construction. This Agreement shall be governed under and construed in accordance with the laws of the State of Texas, without regard to the principles of conflicts of laws. The paragraph headings and captions contained herein are for reference purposes and convenience only and shall not in any way affect the meaning or interpretation of this Agreement. It is intended by the parties that this Agreement be interpreted in accordance with its fair and simple meaning, not for or against either party, and neither party shall be deemed to be the drafter of this Agreement.

17. Severability. The parties agree that if any provision of this Agreement as applied to any party or to any circumstance is adjudged by a court or arbitrator to be invalid or unenforceable, the same will in no way affect any other circumstance or the validity or enforceability of this Agreement. Without limiting the generality of the foregoing, in particular, if any provision in Section 4, or any part thereof, is held to be unenforceable because of the duration of such provision or the area covered thereby, the parties agree that the court or arbitrator making such determination shall have the power to reduce the duration and/or area of such provision, and/or to delete specific words or phrases, and in its reduced form, such

provision shall then be enforceable and shall be enforced. In addition, in the event of a breach or violation by Executive of Section 4, the Non-compete Period and the Non-solicitation Period shall be automatically extended respectively by the amount of time between the initial occurrence of the breach or violation and when such breach or violation has been duly cured.

18. Binding Effect. Subject to Section 8 hereof, the rights and obligations of the parties under this Agreement shall be binding upon and inure to the benefit of the permitted successors, assigns, heirs, administrators, executors and personal representatives of the parties.

19. Effective Date; Effect on Prior Agreement. This Agreement shall become effective as of the date first above written. This Agreement contains the entire understanding between the parties hereto and supersedes in all respects any prior or other agreement or understanding between the Company or any affiliate of the Company and Executive, including, without limitation, the Employment Agreement, dated as of March 12, 2004, as amended to the date hereof (the "**Prior Agreement**"), by and between Cinemark, Inc. and Executive, which agreement shall terminate in all respects upon the Effective Date.

20. Executive's Cooperation. During the Term and for five (5) years thereafter, Executive shall cooperate with the Company and its Subsidiaries in any internal investigation, any administrative, regulatory or judicial proceeding or investigation or any material dispute with a third party, in each case as reasonably requested by the Company (including, without limitation, Executive's being reasonably available to the Company upon reasonable notice for interviews and factual investigations, appearing at the Company's request to give testimony without requiring service of subpoena or other legal process, volunteering to the Company all pertinent information and turning over to the Company all relevant documents which are or may come into Executive's possession, all at times and on schedules that are reasonably consistent with Executive's other activities and commitments), in each case limited to the extent that such cooperation (a) becomes unduly burdensome for Executive (including in terms of the time commitments required by Executive in connection with such cooperation), (b) in the event that such cooperation is required after the Term, unreasonably interferes with Executive's duties under his then current employment, (c) causes Executive to breach in any material respect any material agreement by which he is bound, or (d) is limited to the extent Executive is advised by legal counsel that such cooperation would not be in Executive's best interests. In the event that the Company requires Executive's cooperation in accordance with this paragraph, the Company shall reimburse Executive solely for: (i) his reasonable out-of-pocket expenses (including travel, lodging and meals) upon submission of receipts and (ii) any reasonable attorneys' fees incurred by Executive to the extent that, after consultation with the Company, Executive deems it advisable to seek the advice of legal counsel regarding his obligations hereunder.

21. Beneficiaries; References. Executive shall be entitled to select (and change, to the extent permitted under any applicable law) a beneficiary or beneficiaries to receive any compensation or benefit payable hereunder following Executive's death, and may change such election, in either case by giving the Company written notice thereof. In the event of Executive's death or a judicial determination of his incompetence, reference in this Agreement to Executive shall be deemed, where appropriate, to refer to his beneficiary, estate or other legal representative, and the Company shall pay amounts payable under this Agreement, unless otherwise provided herein, in accordance with the terms of this Agreement, to Executive's

personal or legal representatives, executors, administrators, heirs, distributees, devisees, legatees or estate, as the case may be.

IN WITNESS WHEREOF, the parties have executed this Employment Agreement on the day and in the year first written above.

COMPANY:

CINEMARK HOLDINGS, INC.

By: /s/ Alan W. Stock

Name: Alan W. Stock

Title: CEO

EXECUTIVE:

/s/ Robert Copple

Robert Copple

EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT (this "**Agreement**") is made and entered into as of June 16, 2008, by and between Cinemark Holdings, Inc., a Delaware corporation (the "**Company**"), and Timothy Warner ("**Executive**").

WITNESSETH:

WHEREAS, Cinemark, Inc., a wholly owned subsidiary of the Company, and Executive are parties to an Employment Agreement dated as of March 12, 2004, as amended to the date hereof relating to Executive, which arrangement sets forth the terms and conditions of Executive's employment with Cinemark, Inc. (the "**Original Agreement**"); and

WHEREAS, the parties desire to enter into this Agreement to replace and supersede the Original Agreement;

NOW, THEREFORE, in consideration of the mutual promises and covenants set forth herein, the parties hereto agree as follows:

1. Employment.

1.1 Title and Duties. The Company hereby employs Executive as President and Chief Operating Officer of the Company. Executive's duties, responsibilities and authority shall be consistent with Executive's position and titles and shall include serving in a similar capacity with certain of the Company's Subsidiaries (as hereinafter defined) and such other duties, responsibilities and authority as may be assigned to Executive by the Board of Directors of the Company (the "**Board**"). Executive shall report directly to the Chief Executive Officer of the Company.

1.2 Services and Exclusivity of Services. The Company and Executive recognize that the services to be rendered by Executive are of such a nature as to be peculiarly rendered by Executive, encompass the individual ability, managerial skills and business experience of Executive and cannot be measured exclusively in terms of hours or services rendered in any particular period. Executive shall devote Executive's full business time and shall use Executive's best efforts, energy and ability exclusively toward advancing the business, affairs and interests of the Company and its Subsidiaries, and matters related thereto. Nothing in this Agreement shall preclude Executive from serving on boards of directors of up to one other company which is not competitive to the Company upon the Board's approval not to be unreasonably withheld or participating on a board of or in trade organizations, charitable, community, school or religious activities that do not substantially interfere with his duties and responsibilities hereunder or conflict with the interests of the Company.

1.3 Location of Office. The Company shall make available to Executive an office and support services at the Company's headquarters in Dallas/Plano, Texas area. Executive's main office shall be at such location.

1.4 Subsidiaries; Person. For purposes of this Agreement, "**Subsidiary**" or "**Subsidiaries**" means, as to any Person, any other Person (i) of which such Person or any other

Subsidiary of such Person is a general partner, (ii) of which such Person, any one or more of its other Subsidiaries of such Person, or such Person and any one or more of its other Subsidiaries, directly or indirectly owns or controls securities or other equity interests representing more than fifty percent (50%) of the aggregate voting power, or (iii) of which such Person, any one or more of its other Subsidiaries of such Person, or such Person and any one or more of its other Subsidiaries, possesses the right to elect more than fifty percent (50%) of the board of directors or Persons holding similar positions; and "**Person**" means any individual, corporation, partnership, limited liability company, firm, joint venture, association, joint-stock company, trust, unincorporated organization, or other entity or group (as defined in Section 13(d)(3) of the Securities Exchange Act of 1934, as amended).

2. Term. The term of Executive's employment under this Agreement (the "**Term**") shall commence on the Effective Date (as defined in Section 19) and shall continue for a period of three (3) years thereafter; provided, however, that at the end of each year of the Term, the Term shall be extended for an additional one-year period unless Executive's employment with the Company is terminated in accordance with Section 5. References in this Agreement to the "balance of the Term" shall mean the period of time remaining on the scheduled Term after giving effect to the most recent extension of the Term occurring prior to any termination of the Term.

3. Compensation.

3.1 Base Salary. During the Term, the Company will pay to Executive a base salary at the rate of \$442,000 per year, payable in accordance with the Company's practices in effect from time to time ("**Base Salary**"). Amounts payable shall be reduced by standard withholding and other authorized deductions. Such Base Salary shall be reviewed during the Term for increase (but not decrease) in the sole discretion of the Board, or such individual, group or committee that the Board may select as its delegate, not less frequently than annually during the Term. In conducting any such review, the Board or such delegate shall consider and take into account, among other things, any change in Executive's responsibilities, performance of Executive, the compensation of other similarly situated executives of comparable companies and other pertinent factors. Once increased, Executive's Base Salary shall not be decreased except upon mutual agreement between the parties, and, as so increased, shall constitute Base Salary hereunder.

3.2 Bonuses; Incentive, Savings and Retirement Plans; Welfare Benefit Plans.

(a) Executive shall be entitled to participate in all annual and long-term bonuses and incentive, savings and retirement plans generally available to other similarly situated executive employees of the Company. Executive, and Executive's family as the case may be, shall be eligible to participate in and receive all benefits under welfare benefit plans, practices, programs and policies provided to the Chief Executive Officer, the President, other Executive Vice Presidents and other Senior Vice Presidents of the Company, including, without limitation, medical, prescription, dental, disability, salary continuance, employee life, group life, accidental death and travel accident insurance plans and programs. The Company reserves the right to modify, suspend or discontinue any and all of its benefits referred to in this

Section 3.2 at any time without recourse by Executive so long as such action is taken generally with respect to other executives and does not single out Executive.

(b) In addition to his Base Salary, for each fiscal year ending during the Term, Executive will be entitled to participate in the Cinemark Holdings, Inc. Performance Bonus Plan (the “**Annual Bonus Plan**”), as such Annual Bonus Plan may be amended from time to time, or pursuant to the terms of any successor plan. If the performance targets specified by the Compensation Committee of the Board are satisfied, Executive will receive an annual incentive cash bonus (the “**Annual Bonus**”) based upon the award opportunity parameters and performance targets established by the Compensation Committee of the Board pursuant to the terms of the Annual Bonus Plan. The amount of the Annual Bonus award opportunity and the performance targets that must be satisfied to receive such Annual Bonus award will be established by the Compensation Committee, in its sole discretion, each fiscal year pursuant to the terms of the Annual Bonus Plan. All such Annual Bonus award payments will be payable as specified pursuant to the terms of the Annual Bonus Plan and will be reduced by standard withholding and other authorized deductions.

(c) Equity Awards. Executive will be eligible to participate in and receive grants of equity incentive awards (“**Equity Awards**”) under the Company’s Amended and Restated 2006 Long Term Incentive Plan (the “**Equity Incentive Plan**”), as such Equity Incentive Plan may be amended from time to time, or pursuant to the terms of any successor plan. Equity Awards to Executive may be granted at such times and subject to such terms and conditions as the Equity Incentive Plan administrator shall determine. Executive has received prior grants of Stock Options which shall continue to be subject to the terms of this Agreement provided herein. Upon the consummation of a Sale of the Company, Executive’s Equity Awards will accelerate and become fully vested (assuming Executive is then, and has been continuously, employed by the Company or any of its Subsidiaries). For purposes hereof, “**Sale of the Company**” is defined and has the meaning specified in the Equity Incentive Plan.

3.3 Fringe Benefits. Executive shall be entitled to receive fringe benefits consistent with Executive’s duties and position, and in accordance with the benefits provided to other similarly situated executive employees of the Company. The Company reserves the right to modify, suspend or discontinue any and all of its fringe benefits referred to in this Section 3.3 at any time without recourse by Executive so long as such action is taken generally with respect to other similarly situated peer executives and does not single out Executive.

3.4 Travel and Expenses. Executive shall be entitled to reimbursement for expenses incurred in the furtherance of the business of the Company in accordance with the Company’s practices and procedures, as they may exist from time to time. Executive may, in his discretion, elect to purchase, and be reimbursed for, business class tickets on any international flights for which scheduled flight time exceeds five hours. Executive shall keep complete and accurate records of all expenditures such that Executive may substantiate and fully account for such expenses according to the Company’s practices and procedures.

3.5 Vacation. Executive shall be entitled to no less than twenty (20) days paid vacation and other absences from work in accordance with the Company’s vacation and absence

policy in effect at the time of such vacations or absences which shall be taken at such times as are consistent with Executive's responsibilities hereunder.

3.6 Payment of Compensation and Benefits. Executive acknowledges and agrees that all payments required to be paid to Executive and benefits to be provided to Executive may be paid or provided by the Company, its successor or any other Subsidiary of the Company.

4. Confidential Information; Non-Competition; Non-Solicitation.

4.1 General. Executive acknowledges that during his employment and as a result of his relationship with the Company and its affiliates, Executive has obtained and will obtain knowledge of, and has been given and will be given access to, information, including, but not limited to, information regarding the business, operations, services, proposed services, business processes, advertising, marketing and promotional plans and materials, price lists, pricing policies, ticket sales, film licensing, purchasing, real estate acquisition and leasing, other financial information and other trade secrets, confidential information and proprietary material of the Company and its affiliates or designated as being confidential by the Company or its affiliates which are not generally known to non-Company personnel, including information and material originated, discovered or developed in whole or in part by Executive (collectively referred to herein as "**Confidential Information**"). The term "Confidential Information" does not include any information which (i) at the time of disclosure is generally available to the public (other than as a result of a disclosure by Executive in breach of this Agreement), or (ii) was available to Executive on a non-confidential basis from a source (other than the Company or its Affiliates or their representatives) that is not and was not prohibited from disclosing such information to Executive by a contractual, legal or fiduciary obligation. Executive agrees that during the Term and, to the fullest extent permitted by law, thereafter, Executive will, in a fiduciary capacity for the benefit of the Company and its affiliates, hold all Confidential Information strictly in confidence and will not directly or indirectly reveal, report, disclose, publish or transfer any of such Confidential Information to any Person, or utilize any of the Confidential Information for any purpose, except in furtherance of Executive's employment under this Agreement and except to the extent that Executive may be required by law to disclose any Confidential Information. Executive acknowledges that the Company and its affiliates are providing Executive additional Confidential Information that Executive was not given prior to execution of this Agreement, as further consideration to Executive for executing this Agreement, including the promises and covenants made by Executive in this Section 4.

4.2 Non-Competition. In further consideration of the compensation to be paid to Executive hereunder, Executive acknowledges that during the course of his employment with the Company and its Subsidiaries, he has, and will, become familiar with the trade secrets of the Company and its Subsidiaries and with other Confidential Information concerning the Company and its Subsidiaries and that his services have been and shall continue to be of special, unique and extraordinary value to the Company and its Subsidiaries. Therefore, Executive agrees that, during Executive's employment hereunder and for one year after the date of termination of employment (the "**Non-compete Period**"), he shall not directly or indirectly own any interest in, manage, control, participate in, consult with, render services for, be employed in an executive, managerial or administrative capacity by, or in any manner engage in, any Competing Business.

For purposes hereof, "**Competing Business**" means any business that owns, operates or manages any movie theatre within a 25-mile radius (if such theatre is outside of a Major DMA) or a 10-mile radius (if such theatre is within a Major DMA) of any theatre (i) being operated by the Company or any of its Subsidiaries during Executive's employment hereunder (but excluding any theatres which the Company and its Subsidiaries have ceased to operate as of the date of the termination of Executive's employment hereunder), or (ii) under consideration by the Company or any of its Subsidiaries for opening as of the date of termination of employment; "**Major DMA**" means a Designated Market Area with a number of households in excess of 700,000; "**Designated Market Area**" means each of those certain geographic market areas for the United States designated as such by Nielsen Media Research, Inc. ("**Nielsen**"), as modified from time to time by Nielsen, whereby Nielsen divides the United States into non-overlapping geography for planning, buying and evaluating television audiences across various markets and whereby a county in the United States is exclusively assigned, on the basis of the television viewing habits of the people residing in the county, to one and only one Designated Market Area; and all theatres operated by the Company and its Subsidiaries in Canada shall be treated as being outside of a Major DMA. Nothing herein shall prohibit Executive from (i) being a passive owner of not more than five percent (5%) of the outstanding stock of any class of a corporation which is publicly traded, so long as Executive has no active participation in the business of such corporation, or (ii) during the one year period following the termination of Executive's employment, owning, operating or investing in up to five (5) movie theatres, so long as each such theatre is outside of a 25-mile radius of the theatres being operated by the Company or any of its Subsidiaries or under consideration by the Company or any of its Subsidiaries for opening, in each case, as of the time of termination of Executive's employment. During the one-year period following the termination of Executive's employment for any reason, Executive shall provide reasonable notice to the Company of his plans for acquiring ownership in, commencing operations of, or investing in, any movie theatre prior to any such event. Notwithstanding the foregoing, Executive's obligations under this Section 4.2 shall terminate and become null and void if Executive terminates his employment with Good Reason.

4.3 **Proprietary Interest.** All inventions, designs, improvements, patents, copyrights and discoveries conceived by Executive during Executive's employment by the Company or its affiliates that are useful in or directly or indirectly related to the business of the Company and its affiliates or to any experimental work carried on by the Company or its affiliates, shall be the property of the Company and its affiliates. Executive will promptly and fully disclose to the Company or its affiliates all such inventions, designs, improvements, patents, copyrights and discoveries (whether developed individually or with other persons) and shall take all steps necessary and reasonably required to assure the Company's or such affiliate's ownership thereof and to assist the Company and its affiliates in protecting or defending the Company's or such affiliate's proprietary rights therein.

4.4 **Return of Materials.** Executive expressly acknowledges that all data, books, records and other Confidential Information of the Company and its affiliates obtained in connection with the Company's business is the exclusive property of the Company or its affiliates and that upon the termination of Executive's employment by the Company or its affiliates, Executive will immediately surrender and return to the Company or its affiliates all such items and all other property belonging to the Company or its affiliates then in the possession of Executive, and Executive shall not make or retain any copies thereof.

4.5 Property of the Company. Executive acknowledges that from time to time in the course of providing services pursuant to this Agreement, Executive shall have the opportunity to inspect and use certain property, both tangible and intangible, of the Company and its affiliates and Executive hereby agrees that such property shall remain the exclusive property of the Company and its affiliates. Executive shall have no right or proprietary interest in such property, whether tangible or intangible, including, without limitation, Executive's customer and supplier lists, contract forms, books of account, computer programs and similar property.

4.6 Reasonable in Scope and Duration; Consideration. Executive agrees and acknowledges that the restrictions contained in this Section 4 are reasonable in scope and duration and are necessary to protect the business interests and Confidential Information of the Company and its affiliates after the Effective Date of this Agreement, and Executive further agrees and acknowledges that he has reviewed the provisions of this Agreement with his legal counsel. Executive acknowledges and agrees that Executive will receive substantial, valuable consideration from the Company for the covenants contained in this Section 4, including without limitation, compensation and other benefits.

5. Termination.

5.1 Termination Prior to Expiration of Term. Notwithstanding anything to the contrary contained in Section 2, Executive's employment may be terminated prior to the expiration of the Term only as provided in this Section 5.

5.2 Death or Disability.

(a) The Company may terminate Executive's employment hereunder due to death or Disability (as defined below). If Executive's employment hereunder is terminated as a result of death or Disability, Executive (or Executive's estate or personal representative in the event of death) shall be entitled to receive (i) all Base Salary due to Executive through the date of termination, (ii) the actual bonus, if any, he would have received in respect of the fiscal year in which his termination occurs, prorated by a fraction, the numerator of which is the number of days in such fiscal year prior to the date of Executive's termination and the denominator of which is 365, payable at the same time as any Annual Bonus payments are made to other similarly situated active executives pursuant to the terms of the Annual Bonus Plan and subject to satisfaction of the performance targets for such fiscal year, (iii) any previously vested Equity Awards and benefits, such as retirement benefits and vacation pay, in accordance with the terms of the plan or agreement pursuant to which such Equity Awards or benefits were granted to Executive (items (i) through (iii) above collectively referred to as "**Accrued Employment Entitlements**"), (iv) a lump sum payment equal to twelve (12) months of Executive's full Base Salary, which shall be payable as soon as practicable following the date of termination but not later than March 15 of the first calendar year following the year of such termination; provided, that in the case of Disability such payment shall be offset by the amount of Base Salary paid by the Company to Executive or Executive's personal representative from the date on which Executive was first unable substantially to perform Executive's duties through the date of such termination, and (v) any benefits payable to Executive or Executive's beneficiaries, as applicable, in accordance with the terms of the applicable benefit plan. At the Company's expense, Executive and/or Executive's dependents shall be entitled to continue to

participate in the Company's welfare benefit plans and programs on the same terms as similarly situated actively-employed executives for a period of twelve (12) months from the date of such termination. Executive and/or Executive's dependents shall thereafter be entitled to any continuation of such benefits provided under such benefit plans or by applicable law. Following the death or Disability of Executive, Executive's participation under any Equity Award or other incentive compensation plan (other than Annual Bonuses included in the definition of Accrued Employment Entitlements) shall be governed by the terms of such plans.

(b) "**Disability**" shall mean if, by reason of any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than twelve (12) months, Executive is either (i) unable to engage in any substantial gainful activity; or (ii) receiving income replacement benefits for a period of not less than three (3) months under an accident and health plan covering Company employees. Executive's Disability shall be determined by the Company, in good faith, based upon information supplied by Executive and the physician mutually agreed upon by the Company and Executive. Executive agrees to submit to physical exams and diagnostic tests reasonably recommended by such physician.

5.3 Termination by the Company for Cause or by Executive because of a Voluntary Termination

(a) Executive's employment hereunder may be terminated by the Company for Cause (as hereinafter defined) or by Executive under a Voluntary Termination (as hereinafter defined). If Executive's employment hereunder is terminated under this Section 5.3, Executive shall be entitled to receive all Base Salary due to Executive through the date of termination. Furthermore, all previously vested rights of Executive under an Equity Award or similar incentive compensation plan or program shall be treated in accordance with the terms of such plan or program. Except as specifically set forth in this Section 5.3, the Company shall have no further obligations to Executive following a termination for Cause, or a Voluntary Termination.

(b) "**Cause**" shall mean (i) subject to clause (ii) below, a felony which results in a conviction, a guilty plea or a plea of nolo contendere, (ii) engaging in conduct involving moral turpitude that causes the Company and its affiliates material and demonstrable public disrepute or material and demonstrable economic harm; (iii) a willful material breach of this Agreement by Executive and/or Executive's gross neglect of Executive's duties hereunder which is not cured to the Board's reasonable satisfaction within fifteen (15) days after notice thereof is given to Executive by the Board; or (iv) the intentional wrongful damage to or misappropriation or conversion of material property of the Company or its affiliates. No act or failure to act by the Executive shall be deemed "willful" or "intentional" if done, or omitted to be done, by him in good faith and with the reasonable belief that his action or omission was in the best interest of the Company. Notwithstanding the foregoing, the Company shall not be entitled to terminate Executive for Cause under clause (ii) above, unless (A) the Board shall have made a good faith investigation and can produce demonstrable evidence of the existence of the commission of the fraud, embezzlement or theft which would serve as the basis of Executive's termination for Cause under clause (ii) above, during which investigation the Company may place Executive on a paid administrative leave of absence and (B) no less than 2/3 of the

members of the Board (excluding Executive if Executive is then a member of the Board) shall have made a good faith determination that the Company is entitled to terminate Executive for Cause under clause (ii) above.

(c) “*Voluntary Termination*” shall mean a termination of employment by Executive on Executive’s own initiative other than (i) a termination due to Disability or (ii) a termination for Good Reason.

5.4 Termination by the Company without Cause or by Executive for Good Reason The Company may terminate Executive’s employment hereunder without Cause, and Executive shall be permitted to terminate Executive’s employment hereunder for Good Reason (as hereinafter defined). If the Company terminates Executive’s employment hereunder without Cause, other than due to death or Disability, or if Executive effects a termination for Good Reason, Executive shall be entitled to receive the payments and benefits set forth in this Section 5.4.

(a) If Executive’s employment hereunder is terminated by the Company without Cause, so long as Executive has not breached any of the terms contained in Section 4, Executive shall be entitled to each of the following:

(i) Executive’s Accrued Employment Entitlements;

(ii) two times Executive’s annual Base Salary in effect as of the date of such termination, payable in accordance with the Company’s normal payroll practices for a period of twenty-four (24) months following any such termination; provided, however, that if Executive is, as of the date of such termination, a “specified employee” within the meaning of Section 409A of the Internal Revenue Code of 1986, as amended (the “*Code*”), any amount that is (1) not treated as a short-term deferral within the meaning of Treas. Regs. §1.409A-1(b)(4), and (2) exceeds the separation pay limit under Treas. Regs. §1.409A-1(b)(9)(iii)(A) (two times the lesser of (A) the sum of Executive’s annualized compensation based on Executive’s annual Base Salary for the calendar year preceding the calendar year in which termination occurs (adjusted for any increase during that year that was expected to continue indefinitely if Executive’s employment had not been terminated), or (B) the maximum amount that may be taken into account under a qualified plan pursuant to Code Section 401(a)(17) for the year in which such termination occurs), will not be paid before the date that is six (6) months after such date of termination, or if earlier, the date of Executive’s death. Any payments or benefits to which Executive would otherwise be entitled during such non-payment period will be accumulated and paid or otherwise provided to Executive on the first day of the seventh month following such date of termination, or if earlier, within 30 days of Executive’s death to his surviving spouse (or to his estate if Executive’s spouse does not survive him). For purposes of this Section 5.4(a)(ii) and Section 5.4(b), any amount that is paid as a short-term deferral within the meaning of Treas. Regs. §1.409A-1(b)(4), or within the separation pay limit under Treas. Regs. §1.409A-1(b)(9)(iii)(A) shall be treated as a separate payment, provided the aggregate of the separate payments under this Section 5.4(a)(ii) shall not exceed an amount equal to two times the Executive’s annual

Base Salary in effect as of the date of such termination or for a period in excess of twenty-four (24) months following any such termination.

(iii) an amount equal to the most recent Annual Bonus received by Executive for any fiscal year ended prior to the date of such termination (determined without regard to any performance goals), payable in a lump sum within thirty (30) days following such termination of employment; provided further, that if such termination or resignation occurs within thirty (30) days prior to the calendar year end, the payment, without interest, of the amount paid for a termination by the Company without Cause shall be paid no earlier than January 1 of the next year; and

(iv) Executive and Executive's dependents shall be entitled to continue to participate in the Company's welfare benefit plans and insurance programs on the same terms as similarly situated active employees for a period of twenty-four months from the termination date. Following the expiration of such period, Executive and/or Executive's dependents shall be entitled to any continuation of benefits as are provided under such benefit plans by the Company or as are required to be provided in accordance with applicable law.

(b) If Executive's employment hereunder is terminated by the Executive for Good Reason, so long as Executive has not breached any of the terms contained in Section 4, Executive shall be entitled to the benefits provided in Section 5.4(a), except the severance benefit specified in Section 5.4(a)(ii) (the "**Regular Severance Benefit**") shall be payable in a lump sum (the "**Permitted Lump Sum Benefit**") to the extent it is (1) treated as a short-term deferral within the meaning of Treas. Regs. §1.409A-1(b)(4), or (2) does not exceed the separation pay limit under Treas. Regs. §1.409A-1(b)(9)(iii)(A) (two times the lesser of (A) the sum of Executive's annualized compensation based on Executive's annual Base Salary for the calendar year preceding the calendar year in which termination occurs (adjusted for any increase during that year that was expected to continue indefinitely if Executive's employment had not been terminated), or (B) the maximum amount that may be taken into account under a qualified plan pursuant to Code Section 401(a)(17) for the year in which such termination occurs), as described in Section 5.4(a)(ii). The Permitted Lump Sum Benefit shall be payable within thirty (30) days following such termination of employment; provided further, that if such termination or resignation occurs within thirty (30) days prior to the calendar year end, the payment, without interest, of the Permitted Lump Sum Benefit paid for a termination by Executive for Good Reason shall be paid no earlier than January 1 of the next year and any remaining amount shall be payable in installments in accordance with the Regular Severance Benefit provisions of Section 5.4(a)(ii).

(c) Any outstanding stock options granted to Executive shall be vested and/or exercisable for the period through the date of such termination of employment, and shall remain exercisable, in accordance with the terms contained in the plan and the agreement pursuant to which such option awards were granted. Any outstanding Equity Award (other than stock options) with time based vesting provisions granted to Executive shall be vested on a prorata basis based on the percentage determined by dividing (i) the number of days from and including the grant date of such Equity Award through the termination date of Executive's employment, by (ii) the number of days from the grant date of such Equity Award to the full

vesting date of such Equity Awards. Any Equity Awards with performance based vesting provisions shall remain outstanding through the remainder of the applicable performance period (without regard to any continued employment requirement) and if or to the extent the performance provisions are attained shall become vested without regard to any continued employment requirement on a prorata basis based upon the percentage determined by dividing (i) the number of days from and including the grant date of such Equity Award through the termination date of Executive's employment, by (ii) the number of days from the grant date to the end of the applicable performance period without regard to any continued employment requirement.

(d) For purposes of the calculation of Executive's benefits under any supplemental defined benefit plan in which Executive participates, Executive shall be credited with one additional year of service as a result of termination pursuant to this Section 5.4.

(e) "**Good Reason**" means and shall be deemed to exist if, without the prior written consent of Executive, (i) Executive suffers a significant reduction in duties, responsibilities or effective authority associated with Executive's titles and positions as set forth and described in this Agreement or is assigned any duties or responsibilities inconsistent in any material respect therewith (other than in connection with a termination for Cause); (ii) the Company fails to pay Executive any amounts or provide any benefits required to be paid or provided under this Agreement or is otherwise in material breach of this Agreement; (iii) the Company adversely changes Executive's titles or reporting requirements; (iv) Executive's compensation opportunity (other than Base Salary, which is governed by Section 3.1) or benefits provided for hereunder are materially decreased; or (v) the Company transfers Executive's primary workplace from the Company's headquarters in Dallas/Plano, Texas area. No termination by Executive shall be for "Good Reason" unless written notice of such termination setting forth in particular the event(s) constituting Good Reason is delivered to the Company within thirty (30) days following the date on which the event constituting Good Reason occurs and the Company fails to cure or remedy the event(s) identified in the notice within thirty (30) days after receipt of such notice.

5.5 Termination During a Change of Control. Notwithstanding Section 5.4, if within one year after a Change of Control (as defined below), executive's employment is terminated by the Company (other than for Disability, death or Cause) or Executive resigns for Good Reason, Executive shall receive the payments and benefits set forth in this Section 5.5:

(a) Executive's Accrued Employment Entitlements; plus

(b) An amount (the "**Section 5.5 Termination Amount**") in addition to any other cash compensation beyond that provided in (a) above, which amount shall be equal to the sum of two times Executive's annual Base Salary; plus an amount equal to one and one half times the most recent Annual Bonus received by Executive for any fiscal year ended prior to the date of such termination (determined without regard to any performance goals), payable in a lump sum within thirty (30) days following such termination of employment provided further, that if such termination or resignation occurs within thirty (30) days prior to the calendar year end, the payment, without interest, the amount shall be paid no earlier than January 1 of the next year; and

(c) Executive and Executive's dependents shall be entitled to continue to participate in the Company's, a successor's or acquiror's welfare benefit plans and insurance programs on the same terms as similarly situated active employees for a period of thirty (30) months from the termination date. Following the expiration of such thirty (30) month period, Executive and/or Executive's dependents shall be entitled to any continuation of benefits as are provided under such benefit plans by the Company or as are required to be provided in accordance with applicable law.

(d) Any outstanding Equity Awards granted to Executive shall be fully vested and/or exercisable as of the date of such termination of employment and shall remain exercisable, in each case, in accordance with the terms contained in the plan and the agreement pursuant to which such compensation awards were granted, but in no event shall Executive's rights under any such Equity Awards be less favorable than the terms applicable to a Sale of the Company or other change in control contained in the plan and the agreement pursuant to which such Equity Awards were granted.

(e) For purposes of the calculation of Executive's benefits under any supplemental defined benefit plan in which Executive participates, Executive shall be credited with one additional year of service as a result of termination pursuant to this Section 5.5.

(f) A "**Change of Control**" shall be deemed to have occurred upon (i) the date that (A) any individual, entity or group (within the meaning both of Section 1.409A-3(i)(5)(vi)(D) of the Treasury Regulations and of Section 13(d)(3) or 14(d)(2) of the Securities Exchange Act of 1934, as amended (the "**Exchange Act**"), other than Madison Dearborn Capital Partners or any entity or organization controlled by Madison Dearborn Capital Partners (collectively, the "**MDP Entities**") or the Mitchell Family (as defined below), acquires (or has acquired during the 12-month period ending on the date of the most recent acquisition by such individual, entity or group), beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of thirty percent (30%) or more of the total combined voting power of the voting securities of the Company entitled to vote generally in the election of directors ("**Voting Power**"); and (B) such beneficial ownership (as so defined) by such individual, entity or group of more than thirty percent (30%) of the Voting Power then exceeds the combined beneficial ownership (as so defined) of Voting Power of the MDP Entities and the Mitchell Family, (ii) a majority of the members of the Company's Board of Directors shall not be Continuing Directors (as defined below) or (iii) the sale of all or substantially all of the Company's assets.

(g) "Continuing Director" shall mean with respect to any 12-month period, individuals that at the beginning of such period constituted the Board of Directors of the Company (together with any new directors whose election by such board or whose nomination for election by the stockholders of the Company was approved by a vote of at least a majority of the directors of the Company then still in office who were either directors at the beginning of such period or whose election or nomination was previously so approved).

(h) "Mitchell Family" shall mean (a) Lee Roy or Tandy Mitchell, or the estate of Lee Roy Mitchell or Tandy Mitchell and (b) any trust or other arrangement for the benefit of a Mitchell.

5.6 General Release. Except where the termination is the result of Executive's death and notwithstanding the foregoing, no payment shall be made by the Company to Executive under this Section 5 unless otherwise required by state, local or federal law, until Executive executes a general release of all claims in a form reasonably approved by the Company. The terms of any such general release will not, without the written consent of the Executive, terminate any continuing payment or benefit obligations hereunder by the Company to the Executive. Notwithstanding the foregoing, if the Company fails to deliver a form of general release to the Executive by the forty-fifth (45th) day following the date of termination, the Executive will be deemed to have satisfied the condition of this Section 5.6(a) without being required to execute a general release.

5.7 Office Support. Upon the termination of Executive's employment hereunder for any reason except for Cause, the Company shall make available to Executive, at the Company's expense, an office and support services, (including, without limitation, telephone, telefax and internet access), at the Company's election, either at the Company's main office or at another suitable office space in the Dallas/Plano area, for a period not to exceed three (3) months following the date of such termination.

6. Arbitration.

6.1 General. Any dispute, controversy or claim arising out of or relating to this Agreement, the breach hereof or the coverage or enforceability of this arbitration provision shall be settled by arbitration in Dallas, Texas (or such other location as the Company and Executive may mutually agree), conducted in accordance with the Commercial Arbitration Rules of the American Arbitration Association, as such rules are in effect in Dallas/Fort Worth, Texas on the date of delivery of demand for arbitration. The arbitration of any such issue, including the determination of the amount of any damages suffered by either party hereto by reason of the acts or omissions of the other, shall be to the exclusion of any court of law. Notwithstanding the foregoing, either party hereto may seek any equitable remedy in a court to enforce the provisions of this Agreement, including but not limited to an action for injunctive relief or attachment, without waiving the right to arbitration.

6.2 Procedure.

(a) Either party may demand such arbitration by giving notice of that demand to the other party. The party demanding such arbitration is referred to herein as the "***Demanding Party***," and the party adverse to the Demanding Party is referred to herein as the "***Responding Party***." The notice shall state (x) the matter in controversy, and (y) the name of the arbitrator selected by the party giving the notice.

(b) Not more than fifteen (15) days after such notice is given, the Responding Party shall give notice to the Demanding Party of the name of the arbitrator selected by the Responding Party. If the Responding Party shall fail to timely give such notice, the arbitrator that the Responding Party was entitled to select shall be named by the Arbitration Committee of the American Arbitration Association. Not more than fifteen (15) days after the second arbitrator is so named; the two arbitrators shall select a third arbitrator. If the two

arbitrators shall fail to timely select a third arbitrator, the third arbitrator shall be named by the Arbitration Committee of the American Arbitration Association.

(c) The dispute shall be arbitrated at a hearing that shall be concluded within ten days immediately following the date the dispute is submitted to arbitration unless a majority of the arbitrators shall elect to extend the period of arbitration. Any award made by a majority of the arbitrators (x) shall be made within ten days following the conclusion of the arbitration hearing, (y) shall be conclusive and binding on the parties, and (z) may be made the subject of a judgment of any court having jurisdiction.

(d) Any amount to which Executive is entitled under this Agreement (including any disputed amount) which is not paid when due shall bear interest from the date due but not paid at a rate equal to the lesser of eight percent (8%) per annum and the maximum lawful rate.

6.3 Costs and Expenses. All administrative and arbitration fees, costs and expenses shall be borne by the Company.

7. Indemnification. To the fullest extent permitted by the indemnification provisions of the certificate of incorporation and bylaws of the Company in effect as of the date of this Agreement and the indemnification provisions of the corporation statute of the jurisdiction of the Company's incorporation in effect from time to time (collectively, the "**Indemnification Provisions**"), and in each case subject to the conditions thereof, the Company shall (i) indemnify Executive, as a director and/or officer of the Company or a subsidiary of the company or a trustee or fiduciary of an employee benefit plan of the Company or a subsidiary of the Company, or, if Executive shall be serving in such capacity at the Company's written request, as a director or officer of any other corporation (other than a subsidiary of the company) or as a trustee or fiduciary of an employee benefit plan not sponsored by the Company or a subsidiary of the Company, against all liabilities and reasonable expenses that may be incurred by Executive in any threatened, pending, or completed action, suit or proceeding, whether civil, criminal or administrative, or investigative and whether formal or informal (collectively, "Claims"), because Executive is or was a director or officer of the Company, a director or officer of such other corporation or a trustee or fiduciary of such employee benefit plan, and against which Executive may be indemnified by the Company, and (ii) pay for or reimburse within twenty (20) days after request by Executive of the reasonable expenses incurred from time to time by Executive in the defense of any proceeding to which Executive is a party because Executive is or was a director or officer of the Company, a director or officer of such other corporation or a trustee or fiduciary of such employee benefit plan. The Company shall have the right to defend Executive against a Claim with counsel of its choice reasonably acceptable to Executive so long as (i) the Claim involves primarily money damages, (ii) the Company conducts the defense of the Claim actively and diligently and (iii) there are no conflicts of such counsel representing both the Company and the Executive. So long as the Company is conducting the defense of the Claim, (i) Executive may retain separate co-counsel at his sole cost and expense and participate in the defense of the Claim, (ii) the Company shall not consent to the entry of any judgment or enter into any settlement with respect to the Claim, nor take any voluntary action prejudicial to the determination of the Claim, without the prior written consent of the Executive, such consent not to be unreasonably withheld and (iii) the Company will not consent to the entry of any judgment

or enter into any settlement with respect to the Claim unless a written agreement from the party asserting the Claim is obtained releasing the Executive from all liability thereunder. The rights of Executive under the Indemnification Provisions and this Section 7 shall survive the termination of the employment of Executive by the Company.

8. Assignment. This Agreement shall be binding upon and inure to the benefit of the heirs and representatives of Executive and the assigns and successors of the Company, but neither this Agreement nor any rights or obligations hereunder shall be assignable or otherwise subject to hypothecation by Executive (except by will or by operation of the laws of intestate succession) or by the Company, except that the Company may assign this Agreement to any successor (whether by merger, purchase or otherwise) to all or substantially all of the stock, assets or businesses of the Company, if such successor expressly agrees to assume the obligations of the Company hereunder.

9. Remedies. Executive acknowledges that the services Executive is to render under this Agreement are of a unique and special nature, the loss of which cannot reasonably or adequately be compensated for in monetary damages, and that irreparable injury and damage will result to the Company and its Subsidiaries in the event of any default or breach of this Agreement by Executive. The parties agree and acknowledge that the breach by Executive of any of the terms of this Agreement will cause irreparable damage to the Company and its affiliates, and upon any such breach, the Company shall be entitled to injunctive relief, specific performance, or other equitable relief (without posting a bond or other security); provided, however, that this shall in no way limit any other remedies which the Company and its affiliates may have (including, without limitations, the right to seek monetary damages).

10. Survival. The provisions of Sections 4 through 20 shall survive the expiration or earlier termination of the Term.

11. Taxes. All payments to Executive under this Agreement shall be reduced by all applicable withholding required by Federal, state or local law.

12. No Obligation to Mitigate; No Rights of Offset.

12.1 No Obligation to Mitigate. Executive shall not be required to mitigate the amount of any payment or other benefit required to be paid to Executive pursuant to this Agreement, whether by seeking other employment or otherwise, nor shall the amount of any such payment or other benefit be reduced on account of any compensation earned by Executive as a result of employment by another person; provided that Executive and Executive's dependents shall not be entitled to continue to participate in the welfare benefit plans of the Company and its Subsidiaries if Executive is covered by the welfare benefit plans of another employer.

12.2 No Rights of Offset. The Company's obligation to make the payments provided for in this Agreement and otherwise to perform its obligations hereunder shall not be affected by any set-off, counterclaim, recoupment, defense or other claim, right or action which the Company may have against Executive or others.

13. Notices. Any notice or other communications relating to this Agreement shall be in writing and delivered personally or mailed by certified mail, return receipt requested, or sent by overnight courier, to the party concerned at the address set forth below:

If to Company: 3900 Dallas Parkway, Suite 500
Plano, Texas 75093
Attn: Chief Executive Officer

If to Executive: At Executive's residence address as maintained by the
Company in the regular course of its business for payroll
purposes.

Either party may change the address for the giving of notices at any time by written notice given to the other party under the provisions of this Section 13. If notice is given by personal delivery or overnight courier, said notice shall be conclusively deemed given at the time of such delivery or upon receipt of such couriered notice. If notice is given by mail, such notice shall be conclusively deemed given upon deposit thereof in the United States mail.

14. Entire Agreement. This Agreement constitutes the entire agreement between the parties and supersedes all prior written and oral and all contemporaneous oral agreements, understandings and negotiations with respect to the subject matter hereof. Without limiting the generality of the foregoing sentence, this Agreement supersedes any prior employment agreement, oral or written, including the Employment Agreement, dated as of March 12, 2004, between the Company and Executive, as amended, which shall terminate and be cancelled as of the Effective Date, except for any breaches thereof by Executive prior to the Effective Date which shall survive such termination. This Agreement may not be changed orally, but only by an agreement in writing signed by both parties.

15. Counterparts. This Agreement may be executed in counterparts, each of which shall be an original, but all of which together shall constitute one agreement.

16. Construction. This Agreement shall be governed under and construed in accordance with the laws of the State of Texas, without regard to the principles of conflicts of laws. The paragraph headings and captions contained herein are for reference purposes and convenience only and shall not in any way affect the meaning or interpretation of this Agreement. It is intended by the parties that this Agreement be interpreted in accordance with its fair and simple meaning, not for or against either party, and neither party shall be deemed to be the drafter of this Agreement.

17. Severability. The parties agree that if any provision of this Agreement as applied to any party or to any circumstance is adjudged by a court or arbitrator to be invalid or unenforceable, the same will in no way affect any other circumstance or the validity or enforceability of this Agreement. Without limiting the generality of the foregoing, in particular, if any provision in Section 4, or any part thereof, is held to be unenforceable because of the duration of such provision or the area covered thereby, the parties agree that the court or arbitrator making such determination shall have the power to reduce the duration and/or area of such provision, and/or to delete specific words or phrases, and in its reduced form, such

provision shall then be enforceable and shall be enforced. In addition, in the event of a breach or violation by Executive of Section 4, the Non-compete Period and the Non-solicitation Period shall be automatically extended respectively by the amount of time between the initial occurrence of the breach or violation and when such breach or violation has been duly cured.

18. Binding Effect. Subject to Section 8 hereof, the rights and obligations of the parties under this Agreement shall be binding upon and inure to the benefit of the permitted successors, assigns, heirs, administrators, executors and personal representatives of the parties.

19. Effective Date; Effect on Prior Agreement. This Agreement shall become effective as of the date first above written. This Agreement contains the entire understanding between the parties hereto and supersedes in all respects any prior or other agreement or understanding between the Company or any affiliate of the Company and Executive, including, without limitation, the Employment Agreement, dated as of March 12, 2004, as amended to the date hereof (the "**Prior Agreement**"), by and between Cinemark, Inc. and Executive, which agreement shall terminate in all respects upon the Effective Date.

20. Executive's Cooperation. During the Term and for five (5) years thereafter, Executive shall cooperate with the Company and its Subsidiaries in any internal investigation, any administrative, regulatory or judicial proceeding or investigation or any material dispute with a third party, in each case as reasonably requested by the Company (including, without limitation, Executive's being reasonably available to the Company upon reasonable notice for interviews and factual investigations, appearing at the Company's request to give testimony without requiring service of subpoena or other legal process, volunteering to the Company all pertinent information and turning over to the Company all relevant documents which are or may come into Executive's possession, all at times and on schedules that are reasonably consistent with Executive's other activities and commitments), in each case limited to the extent that such cooperation (a) becomes unduly burdensome for Executive (including in terms of the time commitments required by Executive in connection with such cooperation), (b) in the event that such cooperation is required after the Term, unreasonably interferes with Executive's duties under his then current employment, (c) causes Executive to breach in any material respect any material agreement by which he is bound, or (d) is limited to the extent Executive is advised by legal counsel that such cooperation would not be in Executive's best interests. In the event that the Company requires Executive's cooperation in accordance with this paragraph, the Company shall reimburse Executive solely for: (i) his reasonable out-of-pocket expenses (including travel, lodging and meals) upon submission of receipts and (ii) any reasonable attorneys' fees incurred by Executive to the extent that, after consultation with the Company, Executive deems it advisable to seek the advice of legal counsel regarding his obligations hereunder.

21. Beneficiaries; References. Executive shall be entitled to select (and change, to the extent permitted under any applicable law) a beneficiary or beneficiaries to receive any compensation or benefit payable hereunder following Executive's death, and may change such election, in either case by giving the Company written notice thereof. In the event of Executive's death or a judicial determination of his incompetence, reference in this Agreement to Executive shall be deemed, where appropriate, to refer to his beneficiary, estate or other legal representative, and the Company shall pay amounts payable under this Agreement, unless otherwise provided herein, in accordance with the terms of this Agreement, to Executive's

personal or legal representatives, executors, administrators, heirs, distributees, devisees, legatees or estate, as the case may be.

IN WITNESS WHEREOF, the parties have executed this Employment Agreement on the day and in the year first written above.

COMPANY:

CINEMARK HOLDINGS, INC.

By: /s/ Alan W. Stock

Name: Alan W. Stock

Title: CEO

EXECUTIVE:

/s/ Timothy Warner

Timothy Warner

EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT (this "**Agreement**") is made and entered into as of June 16, 2008, by and between Cinemark Holdings, Inc., a Delaware corporation (the "**Company**"), and Michael Cavalier ("**Executive**").

WITNESSETH:

WHEREAS, Cinemark, Inc., a wholly owned subsidiary of the Company, and Executive are parties to an Employment Agreement dated as of March 12, 2004, as amended to the date hereof relating to Executive, which arrangement sets forth the terms and conditions of Executive's employment with Cinemark, Inc. (the "**Original Agreement**"); and

WHEREAS, the parties desire to enter into this Agreement to replace and supersede the Original Agreement;

NOW, THEREFORE, in consideration of the mutual promises and covenants set forth herein, the parties hereto agree as follows:

1. Employment.

1.1 Title and Duties. The Company hereby employs Executive as Senior Vice President, General Counsel and Secretary of the Company. Executive's duties, responsibilities and authority shall be consistent with Executive's position and titles and shall include serving in a similar capacity with certain of the Company's Subsidiaries (as hereinafter defined) and such other duties, responsibilities and authority as may be assigned to Executive by the Board of Directors of the Company (the "**Board**"). Executive shall report directly to the Chief Executive Officer of the Company.

1.2 Services and Exclusivity of Services. The Company and Executive recognize that the services to be rendered by Executive are of such a nature as to be peculiarly rendered by Executive, encompass the individual ability, managerial skills and business experience of Executive and cannot be measured exclusively in terms of hours or services rendered in any particular period. Executive shall devote Executive's full business time and shall use Executive's best efforts, energy and ability exclusively toward advancing the business, affairs and interests of the Company and its Subsidiaries, and matters related thereto. Nothing in this Agreement shall preclude Executive from serving on boards of directors of up to one other company which is not competitive to the Company upon the Board's approval not to be unreasonably withheld or participating on a board of or in trade organizations, charitable, community, school or religious activities that do not substantially interfere with his duties and responsibilities hereunder or conflict with the interests of the Company.

1.3 Location of Office. The Company shall make available to Executive an office and support services at the Company's headquarters in Dallas/Plano, Texas area. Executive's main office shall be at such location.

1.4 Subsidiaries; Person. For purposes of this Agreement, "**Subsidiary**" or "**Subsidiaries**" means, as to any Person, any other Person (i) of which such Person or any other

Subsidiary of such Person is a general partner, (ii) of which such Person, any one or more of its other Subsidiaries of such Person, or such Person and any one or more of its other Subsidiaries, directly or indirectly owns or controls securities or other equity interests representing more than fifty percent (50%) of the aggregate voting power, or (iii) of which such Person, any one or more of its other Subsidiaries of such Person, or such Person and any one or more its other Subsidiaries, possesses the right to elect more than fifty percent (50%) of the board of directors or Persons holding similar positions; and "**Person**" means any individual, corporation, partnership, limited liability company, firm, joint venture, association, joint-stock company, trust, unincorporated organization, or other entity or group (as defined in Section 13(d)(3) of the Securities Exchange Act of 1934, as amended).

2. Term. The term of Executive's employment under this Agreement (the "**Term**") shall commence on the Effective Date (as defined in Section 19) and shall continue for a period of three (3) years thereafter; provided, however, that at the end of each year of the Term, the Term shall be extended for an additional one-year period unless Executive's employment with the Company is terminated in accordance with Section 5. References in this Agreement to the "balance of the Term" shall mean the period of time remaining on the scheduled Term after giving effect to the most recent extension of the Term occurring prior to any termination of the Term.

3. Compensation.

3.1 Base Salary. During the Term, the Company will pay to Executive a base salary at the rate of \$338,000 per year, payable in accordance with the Company's practices in effect from time to time ("**Base Salary**"). Amounts payable shall be reduced by standard withholding and other authorized deductions. Such Base Salary shall be reviewed during the Term for increase (but not decrease) in the sole discretion of the Board, or such individual, group or committee that the Board may select as its delegate, not less frequently than annually during the Term. In conducting any such review, the Board or such delegate shall consider and take into account, among other things, any change in Executive's responsibilities, performance of Executive, the compensation of other similarly situated executives of comparable companies and other pertinent factors. Once increased, Executive's Base Salary shall not be decreased except upon mutual agreement between the parties, and, as so increased, shall constitute Base Salary hereunder.

3.2 Bonuses; Incentive, Savings and Retirement Plans; Welfare Benefit Plans.

(a) Executive shall be entitled to participate in all annual and long-term bonuses and incentive, savings and retirement plans generally available to other similarly situated executive employees of the Company. Executive, and Executive's family as the case may be, shall be eligible to participate in and receive all benefits under welfare benefit plans, practices, programs and policies provided to the Chief Executive Officer, the President, other Executive Vice Presidents and other Senior Vice Presidents of the Company, including, without limitation, medical, prescription, dental, disability, salary continuance, employee life, group life, accidental death and travel accident insurance plans and programs. The Company reserves the right to modify, suspend or discontinue any and all of its benefits referred to in this

Section 3.2 at any time without recourse by Executive so long as such action is taken generally with respect to other executives and does not single out Executive.

(b) In addition to his Base Salary, for each fiscal year ending during the Term, Executive will be entitled to participate in the Cinemark Holdings, Inc. Performance Bonus Plan (the “**Annual Bonus Plan**”), as such Annual Bonus Plan may be amended from time to time, or pursuant to the terms of any successor plan. If the performance targets specified by the Compensation Committee of the Board are satisfied, Executive will receive an annual incentive cash bonus (the “**Annual Bonus**”) based upon the award opportunity parameters and performance targets established by the Compensation Committee of the Board pursuant to the terms of the Annual Bonus Plan. The amount of the Annual Bonus award opportunity and the performance targets that must be satisfied to receive such Annual Bonus award will be established by the Compensation Committee, in its sole discretion, each fiscal year pursuant to the terms of the Annual Bonus Plan. All such Annual Bonus award payments will be payable as specified pursuant to the terms of the Annual Bonus Plan and will be reduced by standard withholding and other authorized deductions.

(c) Equity Awards. Executive will be eligible to participate in and receive grants of equity incentive awards (“**Equity Awards**”) under the Company’s Amended and Restated 2006 Long Term Incentive Plan (the “**Equity Incentive Plan**”), as such Equity Incentive Plan may be amended from time to time, or pursuant to the terms of any successor plan. Equity Awards to Executive may be granted at such times and subject to such terms and conditions as the Equity Incentive Plan administrator shall determine. Executive has received prior grants of Stock Options which shall continue to be subject to the terms of this Agreement provided herein. Upon the consummation of a Sale of the Company, Executive’s Equity Awards will accelerate and become fully vested (assuming Executive is then, and has been continuously, employed by the Company or any of its Subsidiaries). For purposes hereof, “**Sale of the Company**” is defined and has the meaning specified in the Equity Incentive Plan.

3.3 Fringe Benefits. Executive shall be entitled to receive fringe benefits consistent with Executive’s duties and position, and in accordance with the benefits provided to other similarly situated executive employees of the Company. The Company reserves the right to modify, suspend or discontinue any and all of its fringe benefits referred to in this Section 3.3 at any time without recourse by Executive so long as such action is taken generally with respect to other similarly situated peer executives and does not single out Executive.

3.4 Travel and Expenses. Executive shall be entitled to reimbursement for expenses incurred in the furtherance of the business of the Company in accordance with the Company’s practices and procedures, as they may exist from time to time. Executive may, in his discretion, elect to purchase, and be reimbursed for, business class tickets on any international flights for which scheduled flight time exceeds five hours. Executive shall keep complete and accurate records of all expenditures such that Executive may substantiate and fully account for such expenses according to the Company’s practices and procedures.

3.5 Vacation. Executive shall be entitled to no less than twenty (20) days paid vacation and other absences from work in accordance with the Company’s vacation and absence

policy in effect at the time of such vacations or absences which shall be taken at such times as are consistent with Executive's responsibilities hereunder.

3.6 Payment of Compensation and Benefits. Executive acknowledges and agrees that all payments required to be paid to Executive and benefits to be provided to Executive may be paid or provided by the Company, its successor or any other Subsidiary of the Company.

4. Confidential Information; Non-Competition; Non-Solicitation.

4.1 General. Executive acknowledges that during his employment and as a result of his relationship with the Company and its affiliates, Executive has obtained and will obtain knowledge of, and has been given and will be given access to, information, including, but not limited to, information regarding the business, operations, services, proposed services, business processes, advertising, marketing and promotional plans and materials, price lists, pricing policies, ticket sales, film licensing, purchasing, real estate acquisition and leasing, other financial information and other trade secrets, confidential information and proprietary material of the Company and its affiliates or designated as being confidential by the Company or its affiliates which are not generally known to non-Company personnel, including information and material originated, discovered or developed in whole or in part by Executive (collectively referred to herein as "**Confidential Information**"). The term "Confidential Information" does not include any information which (i) at the time of disclosure is generally available to the public (other than as a result of a disclosure by Executive in breach of this Agreement), or (ii) was available to Executive on a non-confidential basis from a source (other than the Company or its Affiliates or their representatives) that is not and was not prohibited from disclosing such information to Executive by a contractual, legal or fiduciary obligation. Executive agrees that during the Term and, to the fullest extent permitted by law, thereafter, Executive will, in a fiduciary capacity for the benefit of the Company and its affiliates, hold all Confidential Information strictly in confidence and will not directly or indirectly reveal, report, disclose, publish or transfer any of such Confidential Information to any Person, or utilize any of the Confidential Information for any purpose, except in furtherance of Executive's employment under this Agreement and except to the extent that Executive may be required by law to disclose any Confidential Information. Executive acknowledges that the Company and its affiliates are providing Executive additional Confidential Information that Executive was not given prior to execution of this Agreement, as further consideration to Executive for executing this Agreement, including the promises and covenants made by Executive in this Section 4.

4.2 Non-Competition. In further consideration of the compensation to be paid to Executive hereunder, Executive acknowledges that during the course of his employment with the Company and its Subsidiaries, he has, and will, become familiar with the trade secrets of the Company and its Subsidiaries and with other Confidential Information concerning the Company and its Subsidiaries and that his services have been and shall continue to be of special, unique and extraordinary value to the Company and its Subsidiaries. Therefore, Executive agrees that, during Executive's employment hereunder and for one year after the date of termination of employment (the "**Non-compete Period**"), he shall not directly or indirectly own any interest in, manage, control, participate in, consult with, render services for, be employed in an executive, managerial or administrative capacity by, or in any manner engage in, any Competing Business.

For purposes hereof, "**Competing Business**" means any business that owns, operates or manages any movie theatre within a 25-mile radius (if such theatre is outside of a Major DMA) or a 10-mile radius (if such theatre is within a Major DMA) of any theatre (i) being operated by the Company or any of its Subsidiaries during Executive's employment hereunder (but excluding any theatres which the Company and its Subsidiaries have ceased to operate as of the date of the termination of Executive's employment hereunder), or (ii) under consideration by the Company or any of its Subsidiaries for opening as of the date of termination of employment; "**Major DMA**" means a Designated Market Area with a number of households in excess of 700,000; "**Designated Market Area**" means each of those certain geographic market areas for the United States designated as such by Nielsen Media Research, Inc. ("**Nielsen**"), as modified from time to time by Nielsen, whereby Nielsen divides the United States into non-overlapping geography for planning, buying and evaluating television audiences across various markets and whereby a county in the United States is exclusively assigned, on the basis of the television viewing habits of the people residing in the county, to one and only one Designated Market Area; and all theatres operated by the Company and its Subsidiaries in Canada shall be treated as being outside of a Major DMA. Nothing herein shall prohibit Executive from (i) being a passive owner of not more than five percent (5%) of the outstanding stock of any class of a corporation which is publicly traded, so long as Executive has no active participation in the business of such corporation, or (ii) during the one year period following the termination of Executive's employment, owning, operating or investing in up to five (5) movie theatres, so long as each such theatre is outside of a 25-mile radius of the theatres being operated by the Company or any of its Subsidiaries or under consideration by the Company or any of its Subsidiaries for opening, in each case, as of the time of termination of Executive's employment. During the one-year period following the termination of Executive's employment for any reason, Executive shall provide reasonable notice to the Company of his plans for acquiring ownership in, commencing operations of, or investing in, any movie theatre prior to any such event. Notwithstanding the foregoing, Executive's obligations under this Section 4.2 shall terminate and become null and void if Executive terminates his employment with Good Reason.

4.3 **Proprietary Interest.** All inventions, designs, improvements, patents, copyrights and discoveries conceived by Executive during Executive's employment by the Company or its affiliates that are useful in or directly or indirectly related to the business of the Company and its affiliates or to any experimental work carried on by the Company or its affiliates, shall be the property of the Company and its affiliates. Executive will promptly and fully disclose to the Company or its affiliates all such inventions, designs, improvements, patents, copyrights and discoveries (whether developed individually or with other persons) and shall take all steps necessary and reasonably required to assure the Company's or such affiliate's ownership thereof and to assist the Company and its affiliates in protecting or defending the Company's or such affiliate's proprietary rights therein.

4.4 **Return of Materials.** Executive expressly acknowledges that all data, books, records and other Confidential Information of the Company and its affiliates obtained in connection with the Company's business is the exclusive property of the Company or its affiliates and that upon the termination of Executive's employment by the Company or its affiliates, Executive will immediately surrender and return to the Company or its affiliates all such items and all other property belonging to the Company or its affiliates then in the possession of Executive, and Executive shall not make or retain any copies thereof.

4.5 Property of the Company. Executive acknowledges that from time to time in the course of providing services pursuant to this Agreement, Executive shall have the opportunity to inspect and use certain property, both tangible and intangible, of the Company and its affiliates and Executive hereby agrees that such property shall remain the exclusive property of the Company and its affiliates. Executive shall have no right or proprietary interest in such property, whether tangible or intangible, including, without limitation, Executive's customer and supplier lists, contract forms, books of account, computer programs and similar property.

4.6 Reasonable in Scope and Duration; Consideration. Executive agrees and acknowledges that the restrictions contained in this Section 4 are reasonable in scope and duration and are necessary to protect the business interests and Confidential Information of the Company and its affiliates after the Effective Date of this Agreement, and Executive further agrees and acknowledges that he has reviewed the provisions of this Agreement with his legal counsel. Executive acknowledges and agrees that Executive will receive substantial, valuable consideration from the Company for the covenants contained in this Section 4, including without limitation, compensation and other benefits.

5. Termination.

5.1 Termination Prior to Expiration of Term. Notwithstanding anything to the contrary contained in Section 2, Executive's employment may be terminated prior to the expiration of the Term only as provided in this Section 5.

5.2 Death or Disability.

(a) The Company may terminate Executive's employment hereunder due to death or Disability (as defined below). If Executive's employment hereunder is terminated as a result of death or Disability, Executive (or Executive's estate or personal representative in the event of death) shall be entitled to receive (i) all Base Salary due to Executive through the date of termination, (ii) the actual bonus, if any, he would have received in respect of the fiscal year in which his termination occurs, prorated by a fraction, the numerator of which is the number of days in such fiscal year prior to the date of Executive's termination and the denominator of which is 365, payable at the same time as any Annual Bonus payments are made to other similarly situated active executives pursuant to the terms of the Annual Bonus Plan and subject to satisfaction of the performance targets for such fiscal year, (iii) any previously vested Equity Awards and benefits, such as retirement benefits and vacation pay, in accordance with the terms of the plan or agreement pursuant to which such Equity Awards or benefits were granted to Executive (items (i) through (iii) above collectively referred to as "**Accrued Employment Entitlements**"), (iv) a lump sum payment equal to twelve (12) months of Executive's full Base Salary, which shall be payable as soon as practicable following the date of termination but not later than March 15 of the first calendar year following the year of such termination; provided, that in the case of Disability such payment shall be offset by the amount of Base Salary paid by the Company to Executive or Executive's personal representative from the date on which Executive was first unable substantially to perform Executive's duties through the date of such termination, and (v) any benefits payable to Executive or Executive's beneficiaries, as applicable, in accordance with the terms of the applicable benefit plan. At the Company's expense, Executive and/or Executive's dependents shall be entitled to continue to

participate in the Company's welfare benefit plans and programs on the same terms as similarly situated actively-employed executives for a period of twelve (12) months from the date of such termination. Executive and/or Executive's dependents shall thereafter be entitled to any continuation of such benefits provided under such benefit plans or by applicable law. Following the death or Disability of Executive, Executive's participation under any Equity Award or other incentive compensation plan (other than Annual Bonuses included in the definition of Accrued Employment Entitlements) shall be governed by the terms of such plans.

(b) "**Disability**" shall mean if, by reason of any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than twelve (12) months, Executive is either (i) unable to engage in any substantial gainful activity; or (ii) receiving income replacement benefits for a period of not less than three (3) months under an accident and health plan covering Company employees. Executive's Disability shall be determined by the Company, in good faith, based upon information supplied by Executive and the physician mutually agreed upon by the Company and Executive. Executive agrees to submit to physical exams and diagnostic tests reasonably recommended by such physician.

5.3 Termination by the Company for Cause or by Executive because of a Voluntary Termination

(a) Executive's employment hereunder may be terminated by the Company for Cause (as hereinafter defined) or by Executive under a Voluntary Termination (as hereinafter defined). If Executive's employment hereunder is terminated under this Section 5.3, Executive shall be entitled to receive all Base Salary due to Executive through the date of termination. Furthermore, all previously vested rights of Executive under an Equity Award or similar incentive compensation plan or program shall be treated in accordance with the terms of such plan or program. Except as specifically set forth in this Section 5.3, the Company shall have no further obligations to Executive following a termination for Cause, or a Voluntary Termination.

(b) "**Cause**" shall mean (i) subject to clause (ii) below, a felony which results in a conviction, a guilty plea or a plea of nolo contendere, (ii) engaging in conduct involving moral turpitude that causes the Company and its affiliates material and demonstrable public disrepute or material and demonstrable economic harm; (iii) a willful material breach of this Agreement by Executive and/or Executive's gross neglect of Executive's duties hereunder which is not cured to the Board's reasonable satisfaction within fifteen (15) days after notice thereof is given to Executive by the Board; or (iv) the intentional wrongful damage to or misappropriation or conversion of material property of the Company or its affiliates. No act or failure to act by the Executive shall be deemed "willful" or "intentional" if done, or omitted to be done, by him in good faith and with the reasonable belief that his action or omission was in the best interest of the Company. Notwithstanding the foregoing, the Company shall not be entitled to terminate Executive for Cause under clause (ii) above, unless (A) the Board shall have made a good faith investigation and can produce demonstrable evidence of the existence of the commission of the fraud, embezzlement or theft which would serve as the basis of Executive's termination for Cause under clause (ii) above, during which investigation the Company may place Executive on a paid administrative leave of absence and (B) no less than 2/3 of the

members of the Board (excluding Executive if Executive is then a member of the Board) shall have made a good faith determination that the Company is entitled to terminate Executive for Cause under clause (ii) above.

(c) “*Voluntary Termination*” shall mean a termination of employment by Executive on Executive’s own initiative other than (i) a termination due to Disability or (ii) a termination for Good Reason.

5.4 Termination by the Company without Cause or by Executive for Good Reason The Company may terminate Executive’s employment hereunder without Cause, and Executive shall be permitted to terminate Executive’s employment hereunder for Good Reason (as hereinafter defined). If the Company terminates Executive’s employment hereunder without Cause, other than due to death or Disability, or if Executive effects a termination for Good Reason, Executive shall be entitled to receive the payments and benefits set forth in this Section 5.4.

(a) If Executive’s employment hereunder is terminated by the Company without Cause, so long as Executive has not breached any of the terms contained in Section 4, Executive shall be entitled to each of the following:

(i) Executive’s Accrued Employment Entitlements;

(ii) two times Executive’s annual Base Salary in effect as of the date of such termination, payable in accordance with the Company’s normal payroll practices for a period of twenty-four (24) months following any such termination; provided, however, that if Executive is, as of the date of such termination, a “specified employee” within the meaning of Section 409A of the Internal Revenue Code of 1986, as amended (the “*Code*”), any amount that is (1) not treated as a short-term deferral within the meaning of Treas. Regs. §1.409A-1(b)(4), and (2) exceeds the separation pay limit under Treas. Regs. §1.409A-1(b)(9)(iii)(A) (two times the lesser of (A) the sum of Executive’s annualized compensation based on Executive’s annual Base Salary for the calendar year preceding the calendar year in which termination occurs (adjusted for any increase during that year that was expected to continue indefinitely if Executive’s employment had not been terminated), or (B) the maximum amount that may be taken into account under a qualified plan pursuant to Code Section 401(a)(17) for the year in which such termination occurs), will not be paid before the date that is six (6) months after such date of termination, or if earlier, the date of Executive’s death. Any payments or benefits to which Executive would otherwise be entitled during such non-payment period will be accumulated and paid or otherwise provided to Executive on the first day of the seventh month following such date of termination, or if earlier, within 30 days of Executive’s death to his surviving spouse (or to his estate if Executive’s spouse does not survive him). For purposes of this Section 5.4(a)(ii) and Section 5.4(b), any amount that is paid as a short-term deferral within the meaning of Treas. Regs. §1.409A-1(b)(4), or within the separation pay limit under Treas. Regs. §1.409A-1(b)(9)(iii)(A) shall be treated as a separate payment, provided the aggregate of the separate payments under this Section 5.4(a)(ii) shall not exceed an amount equal to two times the Executive’s annual

Base Salary in effect as of the date of such termination or for a period in excess of twenty-four (24) months following any such termination.

(iii) an amount equal to the most recent Annual Bonus received by Executive for any fiscal year ended prior to the date of such termination (determined without regard to any performance goals), payable in a lump sum within thirty (30) days following such termination of employment; provided further, that if such termination or resignation occurs within thirty (30) days prior to the calendar year end, the payment, without interest, of the amount paid for a termination by the Company without Cause shall be paid no earlier than January 1 of the next year; and

(iv) Executive and Executive's dependents shall be entitled to continue to participate in the Company's welfare benefit plans and insurance programs on the same terms as similarly situated active employees for a period of twenty-four months from the termination date. Following the expiration of such period, Executive and/or Executive's dependents shall be entitled to any continuation of benefits as are provided under such benefit plans by the Company or as are required to be provided in accordance with applicable law.

(b) If Executive's employment hereunder is terminated by the Executive for Good Reason, so long as Executive has not breached any of the terms contained in Section 4, Executive shall be entitled to the benefits provided in Section 5.4(a), except the severance benefit specified in Section 5.4(a)(ii) (the "**Regular Severance Benefit**") shall be payable in a lump sum (the "**Permitted Lump Sum Benefit**") to the extent it is (1) treated as a short-term deferral within the meaning of Treas. Regs. §1.409A-1(b)(4), or (2) does not exceed the separation pay limit under Treas. Regs. §1.409A-1(b)(9)(iii)(A) (two times the lesser of (A) the sum of Executive's annualized compensation based on Executive's annual Base Salary for the calendar year preceding the calendar year in which termination occurs (adjusted for any increase during that year that was expected to continue indefinitely if Executive's employment had not been terminated), or (B) the maximum amount that may be taken into account under a qualified plan pursuant to Code Section 401(a)(17) for the year in which such termination occurs), as described in Section 5.4(a)(ii). The Permitted Lump Sum Benefit shall be payable within thirty (30) days following such termination of employment; provided further, that if such termination or resignation occurs within thirty (30) days prior to the calendar year end, the payment, without interest, of the Permitted Lump Sum Benefit paid for a termination by Executive for Good Reason shall be paid no earlier than January 1 of the next year and any remaining amount shall be payable in installments in accordance with the Regular Severance Benefit provisions of Section 5.4(a)(ii).

(c) Any outstanding stock options granted to Executive shall be vested and/or exercisable for the period through the date of such termination of employment, and shall remain exercisable, in accordance with the terms contained in the plan and the agreement pursuant to which such option awards were granted. Any outstanding Equity Award (other than stock options) with time based vesting provisions granted to Executive shall be vested on a prorata basis based on the percentage determined by dividing (i) the number of days from and including the grant date of such Equity Award through the termination date of Executive's employment, by (ii) the number of days from the grant date of such Equity Award to the full

vesting date of such Equity Awards. Any Equity Awards with performance based vesting provisions shall remain outstanding through the remainder of the applicable performance period (without regard to any continued employment requirement) and if or to the extent the performance provisions are attained shall become vested without regard to any continued employment requirement on a prorata basis based upon the percentage determined by dividing (i) the number of days from and including the grant date of such Equity Award through the termination date of Executive's employment, by (ii) the number of days from the grant date to the end of the applicable performance period without regard to any continued employment requirement.

(d) For purposes of the calculation of Executive's benefits under any supplemental defined benefit plan in which Executive participates, Executive shall be credited with one additional year of service as a result of termination pursuant to this Section 5.4.

(e) "**Good Reason**" means and shall be deemed to exist if, without the prior written consent of Executive, (i) Executive suffers a significant reduction in duties, responsibilities or effective authority associated with Executive's titles and positions as set forth and described in this Agreement or is assigned any duties or responsibilities inconsistent in any material respect therewith (other than in connection with a termination for Cause); (ii) the Company fails to pay Executive any amounts or provide any benefits required to be paid or provided under this Agreement or is otherwise in material breach of this Agreement; (iii) the Company adversely changes Executive's titles or reporting requirements; (iv) Executive's compensation opportunity (other than Base Salary, which is governed by Section 3.1) or benefits provided for hereunder are materially decreased; or (v) the Company transfers Executive's primary workplace from the Company's headquarters in Dallas/Plano, Texas area. No termination by Executive shall be for "Good Reason" unless written notice of such termination setting forth in particular the event(s) constituting Good Reason is delivered to the Company within thirty (30) days following the date on which the event constituting Good Reason occurs and the Company fails to cure or remedy the event(s) identified in the notice within thirty (30) days after receipt of such notice.

5.5 Termination During a Change of Control. Notwithstanding Section 5.4, if within one year after a Change of Control (as defined below), executive's employment is terminated by the Company (other than for Disability, death or Cause) or Executive resigns for Good Reason, Executive shall receive the payments and benefits set forth in this Section 5.5:

(a) Executive's Accrued Employment Entitlements; plus

(b) An amount (the "**Section 5.5 Termination Amount**") in addition to any other cash compensation beyond that provided in (a) above, which amount shall be equal to the sum of two times Executive's annual Base Salary; plus an amount equal to one and one half times the most recent Annual Bonus received by Executive for any fiscal year ended prior to the date of such termination (determined without regard to any performance goals), payable in a lump sum within thirty (30) days following such termination of employment provided further, that if such termination or resignation occurs within thirty (30) days prior to the calendar year end, the payment, without interest, the amount shall be paid no earlier than January 1 of the next year; and

(c) Executive and Executive's dependents shall be entitled to continue to participate in the Company's, a successor's or acquiror's welfare benefit plans and insurance programs on the same terms as similarly situated active employees for a period of thirty (30) months from the termination date. Following the expiration of such thirty (30) month period, Executive and/or Executive's dependents shall be entitled to any continuation of benefits as are provided under such benefit plans by the Company or as are required to be provided in accordance with applicable law.

(d) Any outstanding Equity Awards granted to Executive shall be fully vested and/or exercisable as of the date of such termination of employment and shall remain exercisable, in each case, in accordance with the terms contained in the plan and the agreement pursuant to which such compensation awards were granted, but in no event shall Executive's rights under any such Equity Awards be less favorable than the terms applicable to a Sale of the Company or other change in control contained in the plan and the agreement pursuant to which such Equity Awards were granted.

(e) For purposes of the calculation of Executive's benefits under any supplemental defined benefit plan in which Executive participates, Executive shall be credited with one additional year of service as a result of termination pursuant to this [Section 5.5](#).

(f) A "**Change of Control**" shall be deemed to have occurred upon (i) the date that (A) any individual, entity or group (within the meaning both of Section 1.409A-3(i)(5)(vi)(D) of the Treasury Regulations and of Section 13(d)(3) or 14(d)(2) of the Securities Exchange Act of 1934, as amended (the "**Exchange Act**"), other than Madison Dearborn Capital Partners or any entity or organization controlled by Madison Dearborn Capital Partners (collectively, the "**MDP Entities**") or the Mitchell Family (as defined below), acquires (or has acquired during the 12-month period ending on the date of the most recent acquisition by such individual, entity or group), beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of thirty percent (30%) or more of the total combined voting power of the voting securities of the Company entitled to vote generally in the election of directors ("**Voting Power**"); and (B) such beneficial ownership (as so defined) by such individual, entity or group of more than thirty percent (30%) of the Voting Power then exceeds the combined beneficial ownership (as so defined) of Voting Power of the MDP Entities and the Mitchell Family, (ii) a majority of the members of the Company's Board of Directors shall not be Continuing Directors (as defined below) or (iii) the sale of all or substantially all of the Company's assets.

(g) "Continuing Director" shall mean with respect to any 12-month period, individuals that at the beginning of such period constituted the Board of Directors of the Company (together with any new directors whose election by such board or whose nomination for election by the stockholders of the Company was approved by a vote of at least a majority of the directors of the Company then still in office who were either directors at the beginning of such period or whose election or nomination was previously so approved).

(h) "Mitchell Family" shall mean (a) Lee Roy or Tandy Mitchell, or the estate of Lee Roy Mitchell or Tandy Mitchell and (b) any trust or other arrangement for the benefit of a Mitchell.

5.6 General Release. Except where the termination is the result of Executive's death and notwithstanding the foregoing, no payment shall be made by the Company to Executive under this Section 5 unless otherwise required by state, local or federal law, until Executive executes a general release of all claims in a form reasonably approved by the Company. The terms of any such general release will not, without the written consent of the Executive, terminate any continuing payment or benefit obligations hereunder by the Company to the Executive. Notwithstanding the foregoing, if the Company fails to deliver a form of general release to the Executive by the forty-fifth (45th) day following the date of termination, the Executive will be deemed to have satisfied the condition of this Section 5.6(a) without being required to execute a general release.

5.7 Office Support. Upon the termination of Executive's employment hereunder for any reason except for Cause, the Company shall make available to Executive, at the Company's expense, an office and support services, (including, without limitation, telephone, telefax and internet access), at the Company's election, either at the Company's main office or at another suitable office space in the Dallas/Plano area, for a period not to exceed three (3) months following the date of such termination.

6. Arbitration.

6.1 General. Any dispute, controversy or claim arising out of or relating to this Agreement, the breach hereof or the coverage or enforceability of this arbitration provision shall be settled by arbitration in Dallas, Texas (or such other location as the Company and Executive may mutually agree), conducted in accordance with the Commercial Arbitration Rules of the American Arbitration Association, as such rules are in effect in Dallas/Fort Worth, Texas on the date of delivery of demand for arbitration. The arbitration of any such issue, including the determination of the amount of any damages suffered by either party hereto by reason of the acts or omissions of the other, shall be to the exclusion of any court of law. Notwithstanding the foregoing, either party hereto may seek any equitable remedy in a court to enforce the provisions of this Agreement, including but not limited to an action for injunctive relief or attachment, without waiving the right to arbitration.

6.2 Procedure.

(a) Either party may demand such arbitration by giving notice of that demand to the other party. The party demanding such arbitration is referred to herein as the "***Demanding Party***," and the party adverse to the Demanding Party is referred to herein as the "***Responding Party***." The notice shall state (x) the matter in controversy, and (y) the name of the arbitrator selected by the party giving the notice.

(b) Not more than fifteen (15) days after such notice is given, the Responding Party shall give notice to the Demanding Party of the name of the arbitrator selected by the Responding Party. If the Responding Party shall fail to timely give such notice, the arbitrator that the Responding Party was entitled to select shall be named by the Arbitration Committee of the American Arbitration Association. Not more than fifteen (15) days after the second arbitrator is so named; the two arbitrators shall select a third arbitrator. If the two

arbitrators shall fail to timely select a third arbitrator, the third arbitrator shall be named by the Arbitration Committee of the American Arbitration Association.

(c) The dispute shall be arbitrated at a hearing that shall be concluded within ten days immediately following the date the dispute is submitted to arbitration unless a majority of the arbitrators shall elect to extend the period of arbitration. Any award made by a majority of the arbitrators (x) shall be made within ten days following the conclusion of the arbitration hearing, (y) shall be conclusive and binding on the parties, and (z) may be made the subject of a judgment of any court having jurisdiction.

(d) Any amount to which Executive is entitled under this Agreement (including any disputed amount) which is not paid when due shall bear interest from the date due but not paid at a rate equal to the lesser of eight percent (8%) per annum and the maximum lawful rate.

6.3 Costs and Expenses. All administrative and arbitration fees, costs and expenses shall be borne by the Company.

7. Indemnification. To the fullest extent permitted by the indemnification provisions of the certificate of incorporation and bylaws of the Company in effect as of the date of this Agreement and the indemnification provisions of the corporation statute of the jurisdiction of the Company's incorporation in effect from time to time (collectively, the "Indemnification Provisions"), and in each case subject to the conditions thereof, the Company shall (i) indemnify Executive, as a director and/or officer of the Company or a subsidiary of the company or a trustee or fiduciary of an employee benefit plan of the Company or a subsidiary of the Company, or, if Executive shall be serving in such capacity at the Company's written request, as a director or officer of any other corporation (other than a subsidiary of the company) or as a trustee or fiduciary of an employee benefit plan not sponsored by the Company or a subsidiary of the Company, against all liabilities and reasonable expenses that may be incurred by Executive in any threatened, pending, or completed action, suit or proceeding, whether civil, criminal or administrative, or investigative and whether formal or informal (collectively, "Claims"), because Executive is or was a director or officer of the Company, a director or officer of such other corporation or a trustee or fiduciary of such employee benefit plan, and against which Executive may be indemnified by the Company, and (ii) pay for or reimburse within twenty (20) days after request by Executive of the reasonable expenses incurred from time to time by Executive in the defense of any proceeding to which Executive is a party because Executive is or was a director or officer of the Company, a director or officer of such other corporation or a trustee or fiduciary of such employee benefit plan. The Company shall have the right to defend Executive against a Claim with counsel of its choice reasonably acceptable to Executive so long as (i) the Claim involves primarily money damages, (ii) the Company conducts the defense of the Claim actively and diligently and (iii) there are no conflicts of such counsel representing both the Company and the Executive. So long as the Company is conducting the defense of the Claim, (i) Executive may retain separate co-counsel at his sole cost and expense and participate in the defense of the Claim, (ii) the Company shall not consent to the entry of any judgment or enter into any settlement with respect to the Claim, nor take any voluntary action prejudicial to the determination of the Claim, without the prior written consent of the Executive, such consent not to be unreasonably withheld and (iii) the Company will not consent to the entry of any judgment

or enter into any settlement with respect to the Claim unless a written agreement from the party asserting the Claim is obtained releasing the Executive from all liability thereunder. The rights of Executive under the Indemnification Provisions and this Section 7 shall survive the termination of the employment of Executive by the Company.

8. Assignment. This Agreement shall be binding upon and inure to the benefit of the heirs and representatives of Executive and the assigns and successors of the Company, but neither this Agreement nor any rights or obligations hereunder shall be assignable or otherwise subject to hypothecation by Executive (except by will or by operation of the laws of intestate succession) or by the Company, except that the Company may assign this Agreement to any successor (whether by merger, purchase or otherwise) to all or substantially all of the stock, assets or businesses of the Company, if such successor expressly agrees to assume the obligations of the Company hereunder.

9. Remedies. Executive acknowledges that the services Executive is to render under this Agreement are of a unique and special nature, the loss of which cannot reasonably or adequately be compensated for in monetary damages, and that irreparable injury and damage will result to the Company and its Subsidiaries in the event of any default or breach of this Agreement by Executive. The parties agree and acknowledge that the breach by Executive of any of the terms of this Agreement will cause irreparable damage to the Company and its affiliates, and upon any such breach, the Company shall be entitled to injunctive relief, specific performance, or other equitable relief (without posting a bond or other security); provided, however, that this shall in no way limit any other remedies which the Company and its affiliates may have (including, without limitations, the right to seek monetary damages).

10. Survival. The provisions of Sections 4 through 20 shall survive the expiration or earlier termination of the Term.

11. Taxes. All payments to Executive under this Agreement shall be reduced by all applicable withholding required by Federal, state or local law.

12. No Obligation to Mitigate; No Rights of Offset.

12.1 No Obligation to Mitigate. Executive shall not be required to mitigate the amount of any payment or other benefit required to be paid to Executive pursuant to this Agreement, whether by seeking other employment or otherwise, nor shall the amount of any such payment or other benefit be reduced on account of any compensation earned by Executive as a result of employment by another person; provided that Executive and Executive's dependents shall not be entitled to continue to participate in the welfare benefit plans of the Company and its Subsidiaries if Executive is covered by the welfare benefit plans of another employer.

12.2 No Rights of Offset. The Company's obligation to make the payments provided for in this Agreement and otherwise to perform its obligations hereunder shall not be affected by any set-off, counterclaim, recoupment, defense or other claim, right or action which the Company may have against Executive or others.

13. Notices. Any notice or other communications relating to this Agreement shall be in writing and delivered personally or mailed by certified mail, return receipt requested, or sent by overnight courier, to the party concerned at the address set forth below:

If to Company: 3900 Dallas Parkway, Suite 500
Plano, Texas 75093
Attn: Chief Executive Officer

If to Executive: At Executive's residence address as maintained by the Company in the regular course of its business for payroll purposes.

Either party may change the address for the giving of notices at any time by written notice given to the other party under the provisions of this Section 13. If notice is given by personal delivery or overnight courier, said notice shall be conclusively deemed given at the time of such delivery or upon receipt of such couriered notice. If notice is given by mail, such notice shall be conclusively deemed given upon deposit thereof in the United States mail.

14. Entire Agreement. This Agreement constitutes the entire agreement between the parties and supersedes all prior written and oral and all contemporaneous oral agreements, understandings and negotiations with respect to the subject matter hereof. Without limiting the generality of the foregoing sentence, this Agreement supersedes any prior employment agreement, oral or written, including the Employment Agreement, dated as of March 12, 2004, between the Company and Executive, as amended, which shall terminate and be cancelled as of the Effective Date, except for any breaches thereof by Executive prior to the Effective Date which shall survive such termination. This Agreement may not be changed orally, but only by an agreement in writing signed by both parties.

15. Counterparts. This Agreement may be executed in counterparts, each of which shall be an original, but all of which together shall constitute one agreement.

16. Construction. This Agreement shall be governed under and construed in accordance with the laws of the State of Texas, without regard to the principles of conflicts of laws. The paragraph headings and captions contained herein are for reference purposes and convenience only and shall not in any way affect the meaning or interpretation of this Agreement. It is intended by the parties that this Agreement be interpreted in accordance with its fair and simple meaning, not for or against either party, and neither party shall be deemed to be the drafter of this Agreement.

17. Severability. The parties agree that if any provision of this Agreement as applied to any party or to any circumstance is adjudged by a court or arbitrator to be invalid or unenforceable, the same will in no way affect any other circumstance or the validity or enforceability of this Agreement. Without limiting the generality of the foregoing, in particular, if any provision in Section 4, or any part thereof, is held to be unenforceable because of the duration of such provision or the area covered thereby, the parties agree that the court or arbitrator making such determination shall have the power to reduce the duration and/or area of such provision, and/or to delete specific words or phrases, and in its reduced form, such

provision shall then be enforceable and shall be enforced. In addition, in the event of a breach or violation by Executive of Section 4, the Non-compete Period and the Non-solicitation Period shall be automatically extended respectively by the amount of time between the initial occurrence of the breach or violation and when such breach or violation has been duly cured.

18. Binding Effect. Subject to Section 8 hereof, the rights and obligations of the parties under this Agreement shall be binding upon and inure to the benefit of the permitted successors, assigns, heirs, administrators, executors and personal representatives of the parties.

19. Effective Date; Effect on Prior Agreement. This Agreement shall become effective as of the date first above written. This Agreement contains the entire understanding between the parties hereto and supersedes in all respects any prior or other agreement or understanding between the Company or any affiliate of the Company and Executive, including, without limitation, the Employment Agreement, dated as of March 12, 2004, as amended to the date hereof (the "**Prior Agreement**"), by and between Cinemark, Inc. and Executive, which agreement shall terminate in all respects upon the Effective Date.

20. Executive's Cooperation. During the Term and for five (5) years thereafter, Executive shall cooperate with the Company and its Subsidiaries in any internal investigation, any administrative, regulatory or judicial proceeding or investigation or any material dispute with a third party, in each case as reasonably requested by the Company (including, without limitation, Executive's being reasonably available to the Company upon reasonable notice for interviews and factual investigations, appearing at the Company's request to give testimony without requiring service of subpoena or other legal process, volunteering to the Company all pertinent information and turning over to the Company all relevant documents which are or may come into Executive's possession, all at times and on schedules that are reasonably consistent with Executive's other activities and commitments), in each case limited to the extent that such cooperation (a) becomes unduly burdensome for Executive (including in terms of the time commitments required by Executive in connection with such cooperation), (b) in the event that such cooperation is required after the Term, unreasonably interferes with Executive's duties under his then current employment, (c) causes Executive to breach in any material respect any material agreement by which he is bound, or (d) is limited to the extent Executive is advised by legal counsel that such cooperation would not be in Executive's best interests. In the event that the Company requires Executive's cooperation in accordance with this paragraph, the Company shall reimburse Executive solely for: (i) his reasonable out-of-pocket expenses (including travel, lodging and meals) upon submission of receipts and (ii) any reasonable attorneys' fees incurred by Executive to the extent that, after consultation with the Company, Executive deems it advisable to seek the advice of legal counsel regarding his obligations hereunder.

21. Beneficiaries; References. Executive shall be entitled to select (and change, to the extent permitted under any applicable law) a beneficiary or beneficiaries to receive any compensation or benefit payable hereunder following Executive's death, and may change such election, in either case by giving the Company written notice thereof. In the event of Executive's death or a judicial determination of his incompetence, reference in this Agreement to Executive shall be deemed, where appropriate, to refer to his beneficiary, estate or other legal representative, and the Company shall pay amounts payable under this Agreement, unless otherwise provided herein, in accordance with the terms of this Agreement, to Executive's

personal or legal representatives, executors, administrators, heirs, distributees, devisees, legatees or estate, as the case may be.

IN WITNESS WHEREOF, the parties have executed this Employment Agreement on the day and in the year first written above.

COMPANY:

CINEMARK HOLDINGS, INC.

By: /s/ Alan W. Stock

Name: Alan W. Stock

Title: CEO

EXECUTIVE:

/s/ Michael Cavalier

Michael Cavalier

TERMINATION AGREEMENT

This termination agreement ("**Termination Agreement**") terminating the Employment Agreement to by and between Cinemark, Inc. (the "**Company**") and Tandy Mitchell ("**Mitchell**") (each, a "**Party**" and together, the "**Parties**") is dated June 16, 2008.

RECITALS

WHEREAS, the Company and Mitchell entered into that certain Employment Agreement dated March 12, 2004 (the "**Employment Agreement**");

WHEREAS, Mitchell wishes to voluntarily resign from her position as an Executive Vice President and Assistant Secretary of the Company and all of its parents and subsidiaries and terminate the Employment Agreement with the Company;

WHEREAS, Mitchell and the Company deem it to be in the best interest of the Parties to mutually terminate the Employment Agreement as of the date above written; and

NOW, THEREFORE, in consideration of the premises and the mutual covenants and obligations of the Parties contained herein, and for other good and valuable consideration, the receipt of which is hereby acknowledged, the Parties hereto agree as follows:

AGREEMENT

1. Mitchell hereby resigns as an Executive Vice President and Assistant Secretary of the Company and all of its parents and subsidiaries.
2. Mitchell hereby and the Company hereby agree that the Employment Agreement is terminated as of the date hereof and Mitchell hereby agrees to relinquish any rights under the Employment Agreement.
3. Upon execution of this Termination Agreement, the Parties agree that the Employment Agreement has no further force or effect.

[Signature Page Follows]

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be duly executed and signed as of the day and year first above written.

CINEMARK USA, INC.

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

TANDY MITCHELL

/s/ Tandy Mitchell
Tandy Mitchell

**CEO CERTIFICATION
PURSUANT TO SECTION 302 OF THE
SARBANES — OXLEY ACT OF 2002**

I, Alan Stock, certify that:

1. I have reviewed this report on Form 10-Q of Cinemark Holdings, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15 (e) and 15d-15 (e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15 (f) and 15d-15 (f)) for the registrant and have:
 - a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation;
 - d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):
 - a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 8, 2008

By: /s/ Alan Stock

Alan Stock
Chief Executive Officer

**CFO CERTIFICATION
PURSUANT TO SECTION 302 OF THE
SARBANES — OXLEY ACT OF 2002**

I, Robert Copple, certify that:

1. I have reviewed this report on Form 10-Q of Cinemark Holdings, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15 (e) and 15d-15 (e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15 (f) and 15d-15 (f)) for the registrant and have:
 - a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation;
 - d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):
 - a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 8, 2008

By: /s/ Robert Copple
Robert Copple
Chief Financial Officer

**CEO CERTIFICATION
PURSUANT TO SECTION 906 OF THE
SARBANES — OXLEY ACT OF 2002**

This certification is provided pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and accompanies the quarterly report on Form 10-Q (the "Form 10-Q") for the quarter ended June 30, 2008 of Cinemark Holdings, Inc. (the "Issuer").

I, Alan Stock, the Chief Executive Officer of Issuer certify that to the best of my knowledge:

- (i) the Form 10-Q fully complies with the requirements of section 13(a) or section 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m(a) or 78o(d)); and
- (ii) the information contained in the Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of the Issuer.

Dated: August 8, 2008

/s/ Alan Stock

Alan Stock
Chief Executive Officer

Subscribed and sworn to before me this 8th day of August 2008.

/s/ Carol Waldman

Name: Carol Waldman
Title: Notary Public

My commission expires: 06/07/12

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

**CFO CERTIFICATION
PURSUANT TO SECTION 906 OF THE
SARBANES — OXLEY ACT OF 2002**

This certification is provided pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and accompanies the quarterly report on Form 10-Q (the "Form 10-Q") for the quarter ended June 30, 2008 of Cinemark Holdings, Inc. (the "Issuer").

I, Robert Copple, the Chief Financial Officer of Issuer certify that to the best of my knowledge:

- (i) the Form 10-Q fully complies with the requirements of section 13(a) or section 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m(a) or 78o(d)); and
- (ii) the information contained in the Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of the Issuer.

Dated: August 8, 2008

/s/ Robert Copple

Robert Copple
Chief Financial Officer

Subscribed and sworn to before me this 8th day of August 2008.

/s/ Carol Waldman

Name: Carol Waldman
Title: Notary Public

My commission expires: 06/07/12

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.