

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

**FORM 10-K**

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

For the Fiscal Year Ended December 31, 2013

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)

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

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

**75093**  
(Zip Code)

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

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Name of each exchange on which registered
Common Stock, par value \$0.001 per share	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act:

None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes  No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15 (d) of the Act. Yes  No

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 has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes  No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

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  (Do not check if a smaller reporting company) Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes  No

The aggregate market value of the voting and non-voting common equity owned by non-affiliates of the registrant on June 28, 2013, computed by reference to the closing price for the registrant's common stock on the New York Stock Exchange on such date was \$2,925,355,413 (104,776,340 shares at a closing price per share of \$27.92).

As of February 21, 2014, 115,381,982 shares of common stock were outstanding.

**DOCUMENTS INCORPORATED BY REFERENCE**

Certain portions of the registrant's definitive proxy statement, in connection with its 2014 annual meeting of stockholders, to be filed within 120 days of December 31, 2013, are incorporated by reference into Part III, Items 10-14, of this annual report on Form 10-K.

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### Cautionary Statement Regarding Forward-Looking Statements

This annual report on Form 10-K includes “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, or the Exchange Act. The “forward looking statements” include our current expectations, assumptions, estimates and projections about our business and our industry. They include statements relating to:

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

You can identify forward-looking statements by the use of words such as “may,” “should,” “could,” “estimates,” “predicts,” “potential,” “continue,” “anticipates,” “believes,” “plans,” “expects,” “future” and “intends” and similar expressions which are intended to identify forward-looking statements. These statements are not guarantees of future performance and are subject to risks, uncertainties and other factors, some of which are beyond our control and difficult to predict and could cause actual results to differ materially from those expressed or forecasted in the forward-looking statements. In evaluating forward-looking statements, you should carefully consider the risks and uncertainties described in the “Risk Factors” section in Item 1A of this Form 10-K and elsewhere in this Form 10-K. All forward-looking statements attributable to us or persons acting on our behalf are expressly qualified in their entirety by the cautionary statements and risk factors contained in this Form 10-K. Forward-looking statements contained in this Form 10-K reflect our view only as of the date of this Form 10-K. 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.

#### *Certain Definitions*

Unless the context otherwise requires, all references to “we,” “our,” “us,” the “issuer” or “Cinemark” relate to Cinemark Holdings, Inc. and its consolidated subsidiaries. Unless otherwise specified, all operating and other statistical data for the U.S. include one theatre in Canada (that was sold during November 2010). All references to Latin America are to Brazil, Mexico (sold during November 2013), Argentina, Chile, Colombia, Peru, Ecuador, Honduras, El Salvador, Nicaragua, Costa Rica, Panama and Guatemala. Unless otherwise specified, all operating and other statistical data are as of and for the year ended December 31, 2013.

**PART I**

**Item 1. Business**

**Our Company**

Cinemark Holdings, Inc. and subsidiaries, or the Company, us or our, is a leader in the motion picture exhibition industry, with theatres in the United States, or U.S., Brazil, Argentina, Chile, Colombia, Peru, Ecuador, Honduras, El Salvador, Nicaragua, Costa Rica, Panama and Guatemala. We operated theatres in Mexico until November 15, 2013. We also managed additional theatres in the U.S., Brazil and Colombia during the year ended December 31, 2013.

As of December 31, 2013, we managed our business under two reportable operating segments: U.S. markets and international markets. See Note 22 to the consolidated financial statements.

Cinemark Holdings, Inc. is a Delaware corporation incorporated on August 2, 2006. Our principal executive offices are at 3900 Dallas Parkway, Suite 500, Plano, Texas 75093. Our telephone number is (972) 665-1000. We maintain a corporate website at [www.cinemark.com](http://www.cinemark.com). Our annual reports on Form 10-K, quarterly reports on Form 10-Q and current reports on Form 8-K, and any amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, or the Exchange Act, are available on our website free of charge under the heading "About – Investor Relations – SEC Filings" as soon as practicable after such reports are filed or furnished electronically to the Securities and Exchange Commission, or the SEC. Additionally, all of our filings with the SEC can be accessed on the SEC's website at <http://www.sec.gov>.

**Description of Business**

We are one of the leaders in the motion picture exhibition industry. As of December 31, 2013, we operated 482 theatres and 5,563 screens in the U.S. and Latin America and approximately 276.6 million patrons attended our theatres worldwide during the year ended December 31, 2013. We are the most geographically diverse worldwide exhibitor, with theatres in thirteen countries as of December 31, 2013. As of December 31, 2013, our U.S. circuit had 334 theatres and 4,457 screens in 40 states and our Latin America circuit had 148 theatres and 1,106 screens.

Revenues, operating income and net income attributable to Cinemark Holdings, Inc. for the year ended December 31, 2013, were \$2,682.9 million, \$415.5 million and \$148.5 million, respectively. At December 31, 2013 we had cash and cash equivalents of \$599.9 million and long-term debt of \$1,832.8 million. Approximately \$243.0 million, or 13%, of our long-term debt accrues interest at variable rates and approximately \$9.9 million of our long-term debt matures in 2014.

We selectively build or acquire new theatres in markets where we can establish and maintain a strong market position. During May 2013, we acquired a total of 32 theatres with 483 screens from Rave Real Property Holdco, LLC and certain of its subsidiaries. As a result of this acquisition, we expanded our domestic theatre base into one new state and seven new markets.

We continue to develop new platforms and market adaptive concepts for our domestic theatre circuit, including NextGen, CinèArts, Cinemark Movie Bistro, VIP and other premium concepts. We believe our portfolio of modern high-quality theatres with multiple platforms provides a preferred destination for moviegoers and contributes to our solid cash flows from operating activities. Our significant presence in the U.S. and Latin America has made us an important distribution channel for movie studios, particularly as they look to capitalize on the expanding worldwide box office. Our market leadership is attributable in large part to our senior executives, whose years of industry experience range from 17 to 55 years and who have successfully navigated us through many industry and economic cycles.

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Currently, 100% of our first-run domestic theatres are fully digital and we continue to convert our international theatres, which are approximately 86% digital. We expect to be 100% digital in our international circuit in early 2014. Digital projection technology provides us flexibility in programming and facilitates the exhibition of live and pre-recorded alternative entertainment. We also continue to roll out our Cinemark XD Extreme Digital Cinema, or XD. We have the largest premium large format, or PLF, footprint in our industry. Our XD offers a premium experience utilizing large screens and the latest in digital projection and enhanced custom sound, including Dolby Atmos 11.1 and Barco Auro 20.1. The XD experience includes wall-to-wall and ceiling-to-floor screens, wrap-around sound, plush seating and a maximum comfort entertainment environment for an immersive experience. We charge a premium price for the XD experience. The exceptional XD technology does not require special format movie prints, which allows us the flexibility to play any available digital print we choose, including 3-D content, in the XD auditorium without any print enhancements required. As of December 31, 2013, we had 150 XD auditoriums in our circuit with plans to install 45 to 55 more XD auditoriums during 2014.

Our NextGen concept features wall-to-wall and ceiling-to-floor screens and the latest digital projection and sound technologies in all of the auditoriums of a complex. These theatres generally also have an XD auditorium. Most of our future domestic theatres will incorporate this NextGen concept. As of December 31, 2013, 193 screens within 17 theatres have the NextGen concept.

During 2013, we opened our first Cinemark Movie Bistro locations, which offer in-theatre dining with great tasting food options, such as fresh wraps, hot sandwiches, burgers, and gourmet pizzas, and a selection of beers, wines, and frozen cocktails, all of which can be enjoyed in the comfort of the auditoriums.

During 2014 we will introduce premium concept theatres in the U.S. that will offer luxury amenities, and a wide variety of food and beverage products. We have a similar concept in twenty-nine of our international auditoriums, referred to locally as either Cinemark Premiere or Cinemark Prime. We plan to continue to incorporate this concept in some of our new international theatres.

### **Motion Picture Exhibition Industry Overview**

The motion picture exhibition industry began its conversion to digital projection technology during 2009. Digital projection technology allows filmmakers the ability to showcase imaginative works of art exactly as they were intended, with incredible realism and detail. Digital features are not susceptible to scratching and fading; therefore digital presentations remain clear and sharp for every screening. A digitally produced or digitally converted movie can be distributed to theatres via satellite, physical media, or fiber optic networks. The digitized movie is stored on a computer/server which “serves” it to a digital projector for each screening of the movie. This format enables us to more efficiently move titles between auditoriums within a theatre to appropriately address demand for each title.

Digital projection also allows us to present 3-D content and alternative entertainment such as live and pre-recorded sports programs, concert events, the Metropolitan, or the MET, opera and other special presentations. Three-dimensional technology offers a premium experience with crisp, bright, ultra-realistic images that create an immersive experience for the patron. A premium is charged for a 3-D presentation. Thirty-three titles released during each of 2012 and 2013 were available in 3-D format, and 29 3-D titles are currently expected to be released during 2014. In addition, 35 3-D titles already have release dates reserved during 2015 through 2018.

During 2013, through a joint venture named Digital Cinema Distribution Coalition, or DCDC, the motion picture exhibition industry developed a content delivery network that allows for delivery of all digital content to U.S. theatres via satellite. Delivery of content via satellite may reduce film transportation costs for both distributors and exhibitors, as a portion of the costs to produce and ship hard drives will be eliminated. The industry is also exploring the expansion of this satellite delivery technology to Latin American markets.

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### **Domestic Markets**

The U.S. motion picture exhibition industry has a track record of long-term growth, with box office revenues growing at an estimated compound annual growth rate of 1.73% from 2002 to 2012. Against this background of steady long-term growth, the exhibition industry has experienced periodic short-term increases and decreases in attendance, and consequently box office revenues. Industry box office records were set during 2012 due to growth in attendance and ticket price. While 2013 industry statistics have not yet been published, industry sources estimate that 2013 U.S. box office revenues were approximately \$10.9 billion, an approximate 1% increase over 2012, and an all-time industry record. During the 2013 summer season, which generally covers May through July, all-time box office revenue records were also set and attendance reached a four-year high.

The following table represents the results of a survey by Motion Picture Association of America, or MPAA, published during March 2013, outlining the historical trends in U.S. box office performance for the ten year period from 2003 to 2012:

<u>Year</u>	<u>U.S. Box Office Revenues (\$ in billions)</u>	<u>Attendance (in billions)</u>	<u>Average Ticket Price</u>
2003	\$ 9.2	1.52	\$6.03
2004	\$ 9.3	1.50	\$6.21
2005	\$ 8.8	1.38	\$6.41
2006	\$ 9.2	1.40	\$6.55
2007	\$ 9.6	1.40	\$6.88
2008	\$ 9.6	1.34	\$7.18
2009	\$10.6	1.42	\$7.50
2010	\$10.6	1.34	\$7.89
2011	\$10.2	1.28	\$7.93
2012	\$10.8	1.36	\$7.96

Films leading the box office during the year ended December 31, 2013 included *Iron Man 3*, *Despicable Me 2*, *The Hunger Games: Catching Fire*, *Monsters University*, *Frozen*, *Man of Steel*, *Fast & Furious 6*, *Oz: The Great and Powerful*, *Gravity*, *World War Z*, *Thor: the Dark World*, *Star Trek Into Darkness*, *The Croods*, *Hobbit: The Desolation of Smaug*, *The Heat*, *The Conjuring*, *We're the Millers*, *Identity Thief* and *The Great Gatsby*, among other films.

The film slate for 2014 currently includes sequels such as *Hunger Games: Mockingjay Part I*, *Hobbit: There and Back Again*, *Transformers 4*, *Amazing Spider-Man 2*, *How to Train Your Dragon 2*, and *Captain America: The Winter Soldier* and new films such as *The Lego Movie*, *Maleficent*, and *Interstellar*, among other films.

### **International Markets**

International box office revenues continue to grow. According to MPAA, international box office revenues were \$23.9 billion for the year ended December 31, 2012, which is a result of strong economies, ticket price increases and new theatre construction. According to MPAA, Latin American box office revenues were \$2.8 billion for the year ended December 31, 2012, representing an 8% increase from 2011.

Growth in Latin America continues to be fueled by a combination of robust economies, growing populations, an emerging middle class, attractive demographics (i.e., a significant teenage population), substantial retail development, and quality product from Hollywood, including an increasing number of 3-D films. In many Latin American countries, including Brazil, Argentina, Colombia, Peru and Chile, successful local film product can also provide incremental box office growth opportunities.

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We believe many international markets for theatrical exhibition have historically been underserved and that certain of these markets, especially those in Latin America, will continue to experience growth as new theatre concepts and platforms are introduced, film product offerings continue to expand and the local economies continue to grow.

### **Drivers of Continued Industry Success**

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

**Importance of Theatrical Success in Establishing Movie Brands and Subsequent Markets.** Theatrical exhibition has long been the primary distribution channel for new motion picture releases. A successful theatrical release which “brands” a film is one of the major contributors to its success in “downstream” markets, such as digital downloads, DVDs, network and syndicated television, video on-demand, pay-per-view television and the Internet.

**Increased Importance of International Markets for Box Office Success.** International markets continue to be an increasingly important component of the overall box office revenues generated by Hollywood films, accounting for \$23.9 billion, or approximately 69% of 2012 total worldwide box office revenues according to MPAA. (As of the date of this report, 2013 industry data was not yet available.) With the continued growth of the international motion picture exhibition industry, we believe the relative contribution of markets outside North America will become even more significant. Many of the top U.S. films released recently also performed exceptionally well in international markets. Such films included *Iron Man 3*, which grossed approximately \$806.3 million in international markets, or approximately 66% of its worldwide box office, and *Despicable Me 2*, which grossed approximately \$567.1 million in international markets, or 61% of its worldwide box office.

**Stable Long-Term Attendance Trends.** We believe that long-term trends in motion picture attendance in the U.S. will continue to benefit the industry. Even during the recent recessionary period, attendance levels remained stable as consumers selected the theatre as a preferred value for their discretionary income. With the motion picture exhibition industry’s transition to satellite digital technology, the products offered by motion picture exhibitors continue to expand, attracting a broader base of patrons. According to industry sources, box office growth for 2012 set an industry record and box office during the 2013 summer season reached a four-year high.

**Convenient and Affordable Form of Out-Of-Home Entertainment.** Movie going continues to be one of the most convenient and affordable forms of out-of-home entertainment, with an estimated average ticket price in the U.S. of \$7.96 in 2012. Average prices in 2012 for other forms of out-of-home entertainment in the U.S., including sporting events and theme parks, ranged from approximately \$27.00 to \$78.00 per ticket according to MPAA. (As of the date of this report, 2013 industry data was not yet available.)

**Innovation with Digital and Satellite Technology.** Our industry began converting to digital projection technology during 2009. Digital projection combined with satellite delivery allows exhibitors to expand their product offerings, including the presentation of 3-D content and alternative entertainment. Such alternative entertainment includes pre-recorded programs as well as live sports programs, concert events, the MET opera and other special presentations. New and enhanced programming alternatives may expand the industry’s customer base and increase patronage for exhibitors.

### **Competitive Strengths**

We believe the following strengths allow us to compete effectively:

**Experienced Management.** Led by Chairman and founder Lee Roy Mitchell, Chief Executive Officer Tim Warner, President, Chief Operating Officer and Chief Financial Officer Robert Copple and President-International Valmir Fernandes, our management team has many years of theatre operating experience, ranging

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from 17 to 55 years, executing a focused strategy that has led to consistent operating results. This management team has successfully navigated us through many industry and economic cycles.

**Disciplined Operating Philosophy.** We generated operating income and net income attributable to Cinemark Holdings, Inc. of \$415.5 million and \$148.5 million, respectively, for the year ended December 31, 2013. Our solid operating performance is a result of our disciplined operating philosophy that centers on building high-quality market-adaptive theatres, while negotiating favorable theatre level economics, controlling operating costs and effectively reacting to economic and market changes.

**Leading Position in Our U.S. Markets.** We have a leading market share in the U.S. metropolitan and suburban markets we serve. For the year ended December 31, 2013, we ranked either first or second, based on box office revenues, in 23 out of our top 30 U.S. markets, including the San Francisco Bay Area, Dallas, Houston, Salt Lake City, Sacramento and Pittsburgh.

**Located in Top Latin American Markets.** Since 1993, we have invested throughout Latin America in response to the continued growth of the region. As of December 31, 2013, we operated 148 theatres and 1,106 screens in 12 countries. Our international screens generated revenues of \$783.1 million, or 29.2% of our total revenues, for the year ended December 31, 2013. We have successfully established a significant presence in major cities in the region, with theatres in thirteen of the fifteen largest metropolitan areas in South America. We are the largest exhibitor in Brazil and Argentina. Our geographic diversity makes us an important distribution channel for the movie studios.

**State-of-the-Art Theatre Circuit.** We offer state-of-the-art theatres, which we believe makes our theatres a preferred destination for moviegoers in our markets. During 2013, we opened 709 new state-of-the-art screens worldwide. We currently have commitments to open 263 additional new screens over the next three years. We have installed digital projection technology in 100% of our U.S. first-run auditoriums and approximately 86% of our international auditoriums, with plans to install digital projection technology in 100% of our international auditoriums in early 2014. Currently, approximately 52% of our U.S. screens and 58% of our international screens are 3-D compatible. We currently have fourteen digital IMAX screens. As of December 31, 2013, we had the industry-leading PLF circuit with 150 XD auditoriums in our theatres. We have plans to install 45 to 55 additional XD auditoriums during 2014. We also continue to develop new theatre concepts in various markets.

**Disciplined Growth Strategy.** We continue to grow organically as well as through the acquisition of high-quality theatres in select markets. Our growth strategy has centered around achieving a target return on investment while also complementing our existing theatre circuit. We continue to generate significant cash flows from operating activities, which demonstrates the success of our growth strategy. We believe our expected level of cash flows will continue to provide us with the financial flexibility to pursue further growth opportunities, while also allowing us to efficiently service our debt obligations and continue to offer our stockholders a strong dividend yield under our current dividend policy.

### **Our Strategy**

We believe our disciplined operating philosophy and experienced management team will enable us to continue to enhance our leading position in the motion picture exhibition industry. Key components of our strategy include:

**Growth in Existing and New Markets.** We will continue to seek growth opportunities by building or acquiring high-quality theatres that meet our strategic, financial and demographic criteria. We also monitor economic and market trends to ensure our existing theatres offer a broad range of products, prices and platforms that satisfy our patrons and develop new concepts to adapt to our patrons' preferences. Our growth strategy is diverse. We opened two locations with our new Cinemark Movie Bistro concept during 2013 and have plans to open two theaters in the U.S. with our new premium concept during 2014. We also have plans to open state-of-the-art theatres in Bolivia in 2014 and Paraguay during 2015.

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***Continue to Focus on Operational Excellence.*** We will continue to focus on achieving operational excellence by controlling theatre operating costs and adequately training and motivating our staff while continuing to provide leading customer service. Our consistent margins reflect our ability to anticipate and manage changes in product and patron preferences.

***Commitment to Technological Innovation.*** Our commitment to technological innovation has resulted in us being 100% digital in our U.S. first-run auditoriums as of December 31, 2013, 2,329 of which are 3-D compatible. Approximately 86% of our international auditoriums were digital as of December 31, 2013, 644 of which are 3-D compatible. See further discussion of our digital expansion at “Technology Innovations”. We expect to be 100% digital worldwide in early 2014, with approximately 50-60% of our screens 3-D compatible. We will also continue to expand our worldwide XD auditorium footprint.

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### Theatre Operations

As of December 31, 2013, we operated 482 theatres and 5,563 screens in 40 states and 12 Latin American countries. The following tables summarize the geographic locations of our theatre circuit as of December 31, 2013.

#### *United States Theatres*

<u>State</u>	<u>Total Theatres</u>	<u>Total Screens</u>
Texas	87	1,140
California	64	798
Ohio	28	353
Utah	15	199
Nevada	10	154
Kentucky	10	127
Illinois	9	128
Colorado	8	127
Pennsylvania	8	113
Oregon	7	102
Arizona	6	90
Virginia	6	80
Oklahoma	6	73
Florida	5	98
Louisiana	5	74
Indiana	5	48
Connecticut	4	56
Iowa	4	55
Arkansas	4	54
New Mexico	4	54
North Carolina	4	41
Michigan	3	50
Massachusetts	3	46
Washington	3	46
Mississippi	3	41
South Carolina	3	34
New Jersey	2	28
Georgia	2	27
New York	2	27
South Dakota	2	26
Montana	2	25
West Virginia	2	22
Maryland	1	24
Kansas	1	20
Alaska	1	16
Missouri	1	15
Tennessee	1	14
Wisconsin	1	14
Delaware	1	10
Minnesota	1	8
<b>Total</b>	<b>334</b>	<b>4,457</b>

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### *International Theatres*

<u>Country</u>	<u>Total Theatres</u>	<u>Total Screens</u>
Brazil	62	497
Colombia	24	129
Argentina	19	168
Central America <sup>(1)</sup>	14	98
Chile	13	102
Peru	10	76
Ecuador	6	36
<b>Total</b>	<b>148</b>	<b>1,106</b>

<sup>(1)</sup> Includes Honduras, El Salvador, Nicaragua, Costa Rica, Panama and Guatemala.

We first entered Latin America when we began operating movie theatres in Chile in 1993. Since then, through our focused international strategy, we have developed into the most geographically diverse theatre circuit in the region. We have balanced our risk through a diversified international portfolio, currently operating theatres in thirteen of the fifteen largest metropolitan areas in South America. We have established significant presence in Brazil and Argentina, where we are the largest exhibitor, with 497 and 168 screens, respectively, as of December 31, 2013.

We believe that certain markets within Latin America continue to be underserved as penetration of movie screens per capita in these markets is substantially lower than in the U.S. and European markets. We intend to build and expand our presence in international markets, with emphasis on Latin America, and fund our expansion primarily with cash flow generated in those markets. We are able to mitigate cash flow exposure to currency fluctuations in the markets in which we operate by transacting in their respective local currencies. Our geographic diversity throughout Latin America has allowed us to maintain consistent revenue growth, notwithstanding currency and economic fluctuations that may affect any particular market. Our international revenues were approximately \$783.1 million during 2013 compared to \$777.7 million during 2012.

### **Film Licensing**

In the domestic marketplace, our corporate film department negotiates with film distributors, which are made up of the traditional major film companies, specialized and art divisions of some of these major film companies, and many other independent film distributors. The film distributors are responsible for determining film release dates and film marketing campaigns and the related expenditures. We are responsible for booking the films in negotiated film licensing zones, which are either free film licensing zones or competitive film licensing zones. In free film licensing zones, movies can be booked without regard to the film bookings of other exhibitors within that area. In competitive film licensing zones, the distributor allocates its movies generally based on demographics, the conditions, capacity and grossing potential of each theatre, and the terms of exhibition. Of the 292 film licensing zones in which our first run U.S. theatres operate, approximately 92% operate in free film licensing zones. In free film licensing zones, we select those films that we believe will be the most successful from those offered by film distributors.

Internationally, our local film personnel negotiate with local offices of major film distributors as well as local film distributors to license films for our international theatres. In the international marketplace, films are not allocated to a single theatre in a geographic film zone, but played by competitive theatres simultaneously. Our theatre personnel focus on providing excellent customer service, and we provide a high-quality facility with the most up-to-date sound systems, comfortable seating and other amenities preferred by our patrons, which we believe gives us a competitive advantage in markets where competing theatres play the same films. Of the 1,106 screens we operate in international markets, approximately 87% have no direct competition from other theatres.

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Our film rental fees in the U.S. are generally based on a film's box office receipts and either mutually agreed upon firm terms, a sliding scale formula, or a mutually agreed upon settlement, subject to the film licensing agreement with the film distributor. Under a firm terms formula, we pay the distributor a mutually agreed upon percentage of box office receipts. Under a sliding scale formula, we pay a percentage of box office revenues using a pre-determined matrix that is based upon box office performance of the film. The settlement process allows for negotiation of film rental fees upon the conclusion of the film run based upon how the film performs. Internationally, our film rental fees are primarily based on mutually agreed upon firm terms that are based upon a specified percentage of box office receipts.

We regularly play art and independent films at many of our U.S. theatres, providing a variety of film choices to our patrons. Bringing art and independent films to our theatres allows us to benefit from the growth in the art and independent market driven by the more mature patron and increased interest in art, foreign and documentary films. The performance of films such as *Lee Daniel's The Butler*, *12 Years a Slave*, *Blue Jasmine* and *American Hustle* have demonstrated the box office potential of art and independent films.

### **Food and Beverage**

Concession sales are our second largest revenue source, representing approximately 32% of total revenues. Concession sales have a much higher margin than admissions sales. We have devoted considerable management effort to increase concession sales and improve operating margins by expanding our offerings and adapting to our customer preferences, as discussed below.

- *Concession Product Innovations.* Through our Cinemark Movie Bistro concept, we have expanded our concession product offerings to include food options, such as fresh wraps, hot sandwiches, burgers, and gourmet pizzas, and a selection of beers, wines, and frozen cocktails, all of which can be enjoyed in the comfort of the auditoriums. We have also added lobby bars in certain theatres and plan to include VIP lounges in certain of our future theatres.
- *Optimization of product mix.* We offer concession products that primarily include various sizes and types of popcorn, soft drinks, coffees, juice blends, candy and quickly-prepared or pre-prepared food, such as hot dogs, pizza, pretzel bites, nachos and ice cream. Different varieties and flavors of candy and drinks are offered at theatres based on preferences in that particular market. Our proprietary point of sale system allows us to monitor product sales and make changes to product mix when necessary, which also allows us to quickly take advantage of national as well as regional product launches. Promotions are introduced on a regular basis to increase average concession purchases as well as to attract new buyers. We offer specially priced combinations at many of our theatres. We periodically offer our loyal patrons opportunities to receive a discount on certain products by offering weekly coupons as well as reusable popcorn tubs and soft drink cups that can be refilled at a discount off the regular price.
- *Staff training.* Employees are continually trained in proper sales techniques. Consumer promotions conducted at the concession stand usually include a motivational element that rewards theatre staff for exceptional sales of certain promotional items.
- *Theatre design.* Our theatres are designed to optimize efficiencies at the concession stands, which include multiple service stations throughout a theatre to facilitate serving patrons in an expedited manner. We strategically place large concession stands within theatres to heighten visibility, reduce the length of concession lines, and improve traffic flow around the concession stands. We have self-service cafeteria-style concession areas in many of our domestic theatres, which allow customers to select their own refreshments and proceed to the cash register when they are ready. This design allows for efficient service, enhanced choices, impulse purchases and superior visibility of concession items.
- *Cost control.* We negotiate prices for concession supplies directly with concession vendors and manufacturers to obtain volume rates. Concession supplies are distributed through a national distribution network. The concession distributor supplies and distributes inventory to the theatres, which place orders directly with the vendors to replenish stock. We conduct a weekly inventory of all concession products at each theatre to ensure proper stock levels are maintained for business.

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### **Pre-Feature Screen Advertising**

In our domestic markets, our theatres are part of the in-theatre digital network operated by National CineMedia, LLC, or NCM. NCM provides advertising to our theatres through its branded “*First Look*” pre-feature entertainment program and also handles lobby promotions and displays. We believe that the reach, scope and digital delivery capability of NCM’s network provides an effective platform for national, regional and local advertisers to reach an engaged audience. We receive a monthly theatre access fee for participation in the NCM network. In addition, we are entitled to receive mandatory quarterly distributions of excess cash from NCM. As of December 31, 2013, we had an approximate 19% ownership interest in NCM. See Note 6 to the consolidated financial statements.

During 2011, our wholly-owned subsidiary Flix Media Publicidade E Entretenimento, Ltda., or Flix Media, began handling all of our screen advertising functions in Brazil. Our Flix Media marketing personnel work directly with local advertisers to coordinate screen advertising in our theatres. We have expanded the Flix Media advertising services to another exhibitor in Brazil through a revenue share agreement. In Argentina, we also have in-house personnel that work with local advertisers to arrange screen advertising in our theatres. We are currently integrating our Argentina advertising team with our Flix Media division.

In our other international markets, we outsource our screen advertising to local companies who have established relationships with local advertisers that provide similar benefits as NCM. The terms of our international screen advertising contracts vary by country. In some of these locations, we earn a percentage of the screen advertising revenues collected by our partners and in other locations we are paid a fixed annual fee for access to our screens, while at our other locations, our in-house marketing personnel handle screen advertising. We will continue to expand Flix Media into our other international locations. In addition to screen advertising in our theatres, we intend to expand Flix Media’s services to include, among other things, alternative content, online ticketing, and loyalty initiatives.

### **Technology Innovations**

The motion picture exhibition has undertaken significant technology initiatives over the past few years that have transformed the industry, as discussed below.

#### *Participation in Digital Cinema Implementation Partners*

During 2007, us, AMC Entertainment Inc., or AMC, and Regal Entertainment Group, or Regal, entered into a joint venture known as Digital Cinema Implementation Partners LLC, or DCIP, to facilitate the implementation of digital cinema in our U.S. theatres and to establish agreements with major motion picture studios for the financing of digital cinema. Digital cinema developments are managed by DCIP, subject to certain approvals by us, AMC and Regal with each of us having an equal voting interest in DCIP. DCIP’s wholly-owned subsidiary Kasima executed long-term deployment agreements with all of the major motion picture studios, under which Kasima receives a virtual print fee from such studios for each digital presentation. In accordance with these agreements, the digital projection systems deployed by Kasima comply with the technology and security specifications developed by the Digital Cinema Initiatives studio consortium. Kasima leases digital projection systems to us, AMC and Regal under master lease agreements that have an initial term of 12 years.

On March 10, 2010, we signed a master lease agreement and other related agreements (collectively the “agreements”) with Kasima. As of December 31, 2013, we had a 33% voting interest in DCIP and a 24.3% economic interest in DCIP. (See Note 7 to the consolidated financial statements.) As of December 31, 2013, 96% of our 4,457 U.S. auditoriums were digital, 3,619 of which are leased from Kasima and 2,329 of which are equipped for exhibiting 3-D content.

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### *International Markets*

In our international markets, we continue to convert our auditoriums to digital projection technology. The digital projection systems we deploy are generally funded with operating cash flows generated by each international country. We also have virtual print fee agreements with certain major studios under which the studios pay us for certain prints shown on the digital projection equipment. As of December 31, 2013, we had 950 digital auditoriums in our international markets, 644 of which are capable of exhibiting 3-D content. Similar to our domestic markets, we expect to be digital 100% in our international markets in early 2014.

### *Digital Cinema Distribution Coalition*

We participate in a joint venture with Regal, AMC, Warner Bros. Entertainment, Inc. and Universal Pictures named Digital Cinema Distribution Coalition, or DCDC, which began delivering digital content to theatres via satellite during October 2013. Delivery of content via satellite may reduce film transportation costs for both distributors and exhibitors, as a portion of the costs to produce and ship hard drives will be eliminated. The satellite delivery system established by DCDC is available to all exhibitors and content providers and allows live and store-and-forward content to be delivered to our theatres. The industry is also exploring the expansion of this satellite delivery technology to Latin American markets.

### *AC JV, LLC*

Due to the transformation of technology within our industry, we have the opportunity to continue to expand the content provided to our patrons. During December 2013, we formed a joint venture with Regal and AMC named AC JV, LLC, who then purchased the Fathom event business from NCM. The Fathom event business generally focuses on the marketing and distribution of live and pre-recorded entertainment programming to movie theatres to augment theatres' feature film schedules. With the formation of AC JV, LLC, we, along with Regal and AMC, can ensure proper resources are focused on the continued development and enhancement of alternative content.

## **Marketing**

In the U.S., we rely on Internet advertising and also newspaper directory film schedules for marketing our products. Radio and television advertising spots are used to promote certain motion pictures and special events. We exhibit previews of coming attractions and films we are currently playing as part of our pre-feature program. We offer patrons access to movie times, the ability to buy and print their tickets in advance and purchase gift cards at our website [www.cinemark.com](http://www.cinemark.com), and via our smart phone and tablet applications. Customers subscribing to our weekly emails receive targeted information about current and upcoming films at their preferred Cinemark theatre(s), including details about advanced ticket sales, special events, concerts and live broadcasts; as well as contests, promotions, and coupons for concession savings. We partner with film distributors to use monthly web contests to drive traffic to our website and to ensure that customers visit often. In addition, we work with all of the film distributors on a regular basis to promote their films with local, regional and national programs that are exclusive to our theatres. These programs may involve customer contests, cross-promotions with the media and third parties and other means to increase patronage for a particular film showing at our theatres.

We created a smartphone and tablet application called CineMode that allows patrons the opportunity to earn rewards while being courteous during the show. Our innovative technology was designed to address texting and other cell phone distractions, which is the number one complaint of movie-goers. While in CineMode, the smart phone screen is automatically dimmed and patrons are prompted to silence their volume. If CineMode is enabled for the duration of the movie, patrons are rewarded with exclusive digital rewards and offers that can be used at their next visit to Cinemark. CineMode facilitates contact with our patrons and this initiative provides an opportunity for us to further improve our relationships with the studios and our vendors via couponing and promotions, such as discounted digital downloads. To date, more than three and a half million patrons have already downloaded CineMode.

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Internationally, we exhibit upcoming and current film previews on-screen, partner with film distributors for certain promotions and advertise our new locations through various forms of media and events. We partner with large multi-national corporations in the large metropolitan areas in which we have theatres to promote our brand and image as well as increase attendance levels at our theatres. Our customers are encouraged to register on our website to receive weekly information by email for showtime information, invitations to special screenings, sponsored events and promotional information. In addition, our customers can request to receive showtime information on their cell phones. We also have loyalty programs in some of our international markets that allow customers to pay a nominal fee for a membership card that provides them with certain admissions and concession discounts. In addition, we have a smartphone application, which allows consumers to check showtimes and purchase tickets for our Brazil theatres.

Our domestic and international marketing departments also focus on expanding ancillary revenue, which includes the sale of our gift cards and our SuperSaver discount tickets. We market these programs to such business representatives as realtors, human resource managers, incentive program managers and hospital and pharmaceutical personnel. Gift cards can be purchased for certain of our locations at our theatres or online through our website, *www.cinemark.com*. SuperSavers are also sold online at *www.cinemark.com* or via phone, fax or email by our local corporate offices and are also available at certain retailers in the U.S. Our marketing departments also coordinate the use of our auditoriums, generally during off-peak times, for corporate meetings, private movie screenings, brand and product launches, education and training sessions or other private events, which contribute to our ancillary revenue.

### **Online and Mobile Sales**

Our patrons may purchase advance tickets for all of our domestic screens and a majority of our international screens by accessing our corporate website at *www.cinemark.com*. Advance tickets may also be purchased for our domestic screens at *www.fandango.com*. Our mobile phone and tablet applications also offer patrons the ability to purchase tickets. Our Internet initiatives help improve customer satisfaction, allowing patrons who purchase tickets over the Internet to bypass lines at the box office by printing their tickets at home, picking up their tickets at kiosks located at the theatre, or scanning a barcode confirmation from their mobile device at the usher stand.

### **Point of Sale Systems**

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

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### **Competition**

We are one of the leaders in the motion picture exhibition industry. We compete against local, regional, national and international exhibitors with respect to attracting patrons, licensing films and developing new theatre sites. Our primary U.S. competitors include Regal, AMC and Carmike Cinemas, Inc. and our primary international competitors, which vary by country, include GSR, Cinépolis, Village Theatres and Cinemundo.

Of the 292 film licensing zones in which our first run U.S. theatres operate, approximately 92% operate in free film licensing zones. In free film licensing zones, we select those films that we believe will be the most successful from those offered by film distributors. Where there is competition, the distributor allocates their movies generally based on demographics, the conditions, capacity and grossing potential of each theatre, and the terms of exhibition. Of the 1,106 screens we operate outside of the U.S., approximately 87% of those screens have no direct competition from other theatres. In areas where we face direct competition, our success in attracting patrons depends on location, theatre capacity, quality of projection and sound equipment, film showtime availability, customer service quality, and ticket prices.

We compete for new theatre sites with other movie theatre exhibitors as well as other entertainment venues. Securing a potential site depends upon factors such as committed investment and resources, theatre design and capacity, revenue and patron potential, and financial stability.

We also face competition from a number of other motion picture exhibition delivery systems, such as digital downloads, DVDs, network and syndicated television, video on-demand, pay-per-view television and the Internet. We also face competition from other forms of entertainment competing for the public's leisure time and disposable income, such as concerts, theme parks and sporting events.

### **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 July, and during the holiday season, extending from early 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.

### **Corporate Operations**

Our worldwide headquarters is located in Plano, Texas. Personnel at our corporate headquarters provide oversight for our domestic and international theatres. Personnel at our Plano headquarters include our executive team and department heads in charge of film licensing, food and beverage, theatre operations, theatre construction and maintenance, real estate, human resources, marketing, legal, finance, accounting, tax, audit and information technology support. Our U.S. operations are divided into eighteen regions, primarily organized geographically, each of which is headed by a region leader. We have seven regional offices in Latin America responsible for the local management of theatres in twelve countries (Honduras, El Salvador, Nicaragua, Costa Rica, Panama and Guatemala are operated out of one Central American regional office). Each regional office is headed by a general manager and generally includes personnel in film licensing, marketing, human resources, information systems, operations and accounting. We have a chief financial officer in Brazil and Argentina, which are our two largest international markets. The regional offices are staffed with experienced personnel from the region to mitigate cultural and operational barriers.

### **Employees**

We have approximately 17,200 employees in the U.S., approximately 18% of whom are full time employees and 82% of whom are part time employees. We have approximately 7,700 employees in our international

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markets, approximately 41% of whom are full time employees and approximately 59% of whom are part time employees. Some of our international locations are subject to union regulations. We regard our relations with our employees to be satisfactory.

### **Regulations**

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

We are subject to various general regulations applicable to our operations including the Americans with Disabilities Act of 1990, or the ADA. We develop new theatres to be accessible to the disabled and we believe we are substantially compliant with current regulations relating to accommodating the disabled. Although we believe that our theatres comply with the ADA, we have been a party to lawsuits which claim that our handicapped seating arrangements do not comply with the ADA or that we are required to provide closed captioning for patrons who are deaf or are severely hearing impaired and descriptive devices for patrons who are blind.

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

### **Financial Information About Geographic Areas**

We currently have operations in the U.S., Brazil, Argentina, Chile, Colombia, Peru, Ecuador, Honduras, El Salvador, Nicaragua, Costa Rica, Panama and Guatemala, which are reflected in the consolidated financial statements. See Note 22 to the consolidated financial statements for segment information and financial information by geographic area.

### **Item 1A. Risk Factors**

#### ***Our business depends on film production and performance.***

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

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

We rely on the film distributors to supply the films shown in our theatres. The film distribution business is highly concentrated, with seven major film distributors accounting for approximately 86% of U.S. box office revenues and 44 of the top 50 grossing films during 2013. Numerous antitrust cases and consent decrees resulting from these antitrust cases impact the distribution of films. Film distributors license films to exhibitors on a theatre-by-theatre and film-by-film basis. Consequently, we cannot guarantee a supply of films by entering into long-term arrangements with major distributors. We are therefore required to negotiate licenses for each film and for each theatre. A deterioration in our relationship with any of the seven major film distributors could adversely

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affect our ability to obtain commercially successful films and to negotiate favorable licensing terms for such films, both of which could adversely affect our business and operating results.

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

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

***We face intense competition for patrons and films which may adversely affect our business.***

The motion picture industry is highly competitive. We compete against local, regional, national and international exhibitors. We compete for both patrons and licensing of films. The competition for patrons is dependent upon such factors as location, theatre capacity, quality of projection and sound equipment, film showtime availability, customer service quality, and ticket prices. The principal competitive factors with respect to film licensing include the theatre's location and its demographics, the condition, capacity and grossing potential of each theatre, and licensing terms. If we are unable to attract patrons or to license successful films, our business may be adversely affected.

***An increase in the use of alternative or "downstream" film distribution channels and other competing forms of entertainment may reduce movie theatre attendance and limit revenue growth.***

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

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

Over the last decade, the average video release window, which represents the time that elapses from the date of a film's theatrical release to the date a film is available to consumers at home, an important downstream market, has decreased from approximately six months to approximately three to four months. If patrons choose to wait for an in-home release rather than attend a theatre to view the film, it may adversely impact our business and results of operations, financial condition and cash flows. Film studios have started to offer consumers a premium video on-demand option for certain films 60 days following the theatrical release, which caused the release window to shrink further for certain films. We cannot assure you that these release windows, which are determined by the studios, will not shrink further or be eliminated altogether, which could have an adverse impact on our business and results of operations.

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

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

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health-related epidemics, such as flu outbreaks, could cause people to avoid our theatres or other public places where large crowds are in attendance. In addition, a natural disaster, such as a hurricane or an earthquake, could impact our ability to operate certain of our theatres, which could adversely affect our results of operations.

***Our foreign operations are subject to adverse regulations, economic instability and currency exchange risk.***

We have 148 theatres with 1,106 screens in twelve countries in Latin America. Brazil represented approximately 12% of our consolidated 2013 revenues. Governmental regulation of the motion picture industry in foreign markets differs from that in the United States. Changes in regulations affecting prices, quota systems requiring the exhibition of locally-produced films and restrictions on ownership of property may adversely affect our international operations. Our international operations are subject to certain political, economic and other uncertainties not encountered by our domestic operations, including risks of severe economic downturns and high inflation. We also face risks of currency fluctuations, hard currency shortages and controls of foreign currency exchange and transfers abroad, all of which could have an adverse effect on the results of our international operations.

***We have substantial long-term lease and debt obligations, which may restrict our ability to fund current and future operations and that restrict our ability to enter into certain transactions.***

We have, and will continue to have, significant long-term debt service obligations and long-term lease obligations. As of December 31, 2013, we had \$1,832.8 million in long-term debt obligations, \$216.4 million in capital lease obligations and \$2,065.1 million in long-term operating lease obligations. We incurred interest expense of \$124.7 million for the year ended December 31, 2013. We incurred \$307.9 million of facility lease expense under operating leases for the year ended December 31, 2013. Our substantial lease and debt obligations pose risk to you by:

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

Our ability to make scheduled payments of principal and interest with respect to our indebtedness will depend on our ability to generate positive cash flows and on our future financial results. Our ability to generate positive cash flows is subject to general economic, financial, competitive, regulatory and other factors that are beyond our control. We cannot assure you that we will continue to generate cash flows at current levels, or that future borrowings will be available under our amended senior secured credit facility, in an amount sufficient to enable us to pay our indebtedness. If our cash flows and capital resources are insufficient to fund our lease and debt service obligations, we may be forced to reduce or delay capital expenditures, sell assets or operations, seek additional capital or restructure or refinance our indebtedness. We may not be able to take any of these actions, and these actions may not be successful or permit us to meet our scheduled debt service obligations and these actions may be restricted under the terms of our existing or future debt agreements, including our amended senior secured credit facility.

If we fail to make any required payment under the agreements governing our leases and indebtedness or fail to comply with the financial and operating covenants contained in them, we would be in default, and as a result,

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our debt holders would have the ability to require that we immediately repay our outstanding indebtedness and the lenders under our amended senior secured credit facility could terminate their commitments to lend us money and foreclose against the assets securing their borrowings. We could be forced into bankruptcy or liquidation, which could result in the loss of your investment. The acceleration of our indebtedness under one agreement may permit acceleration of indebtedness under other agreements that contain cross-default and cross-acceleration provisions. If our indebtedness is accelerated, we may not be able to repay our indebtedness or borrow sufficient funds to refinance it. Even if we are able to obtain new financing, it may not be on commercially reasonable terms or on terms that are acceptable to us. If our debt holders require immediate payment, we may not have sufficient assets to satisfy our obligations under our indebtedness.

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

In 2005, we joined Regal and AMC as founding members of NCM. As of December 31, 2013, we had an ownership interest in NCM of approximately 19%. We receive a monthly theatre access fee under our Exhibitor Services Agreement with NCM and we are entitled to receive mandatory quarterly distributions of excess cash from NCM. During the years ended December 31, 2012 and 2013, the Company received approximately \$7.1 million and \$8.0 million in other revenues from NCM, respectively, and \$20.8 million and \$20.7 million in cash distributions in excess of our investment in NCM, respectively. Cinema advertising is a small component of the U.S. advertising market and therefore, NCM competes with larger, established and well known media platforms such as broadcast radio and television, cable and satellite television, outdoor advertising and Internet portals. In-theatre advertising may not continue to attract advertisers or NCM's in-theatre advertising format may not continue to be received favorably by theatre patrons. If NCM is unable to continue to generate consistent advertising revenues, its results of operations may be adversely affected and our investment in and distributions and revenues from NCM may be adversely impacted.

***A failure to adapt to future technological innovations could impact our ability to compete effectively and could adversely affect our results of operations.***

While we continue to implement the latest technological innovations, such as digital projection, 3-D and satellite distribution technologies, new technological innovations continue to impact our industry. If we are unable to respond to or invest in changes in technology and the technological preferences of our customers, we may not be able to compete with other exhibitors or other entertainment venues, which could adversely affect our results of operations.

***We are subject to uncertainties relating to future expansion plans, including our ability to identify suitable acquisition candidates or site locations, and to obtain financing for such activities on favorable terms or at all.***

We have greatly expanded our operations over the last decade through targeted worldwide theatre development and acquisitions. We will continue to pursue a strategy of expansion that will involve the development of new theatres and may involve acquisitions of existing theatres and theatre circuits both in the U.S. and internationally. There is significant competition for new site locations and for existing theatre and theatre circuit acquisition opportunities. As a result of such competition, we may not be able to acquire attractive site locations, existing theatres or theatre circuits on terms we consider acceptable. Acquisitions and expansion opportunities may divert a significant amount of management's time away from the operation of our business. Growth by acquisition also involves risks relating to difficulties in integrating the operations and personnel of acquired companies and the potential loss of key employees of acquired companies. We cannot assure you that our expansion strategy will result in improvements to our business, financial condition, profitability, or cash flows. Further, our expansion programs may require financing above our existing borrowing capacity and operating cash flows. We cannot assure you that we will be able to obtain such financing or that such financing will be available to us on acceptable terms or at all.

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***If we do not comply with the ADA and the safe harbor framework included in the consent order we entered into with the Department of Justice, or the DOJ, we could be subject to further litigation.***

Our theatres must comply with Title III of the ADA and analogous state and local laws. Compliance with the ADA requires among other things that public facilities “reasonably accommodate” individuals with disabilities and that new construction or alterations made to “commercial facilities” conform to accessibility guidelines unless “structurally impracticable” for new construction or technically infeasible for alterations. On November 15, 2004, we and the Department of Justice, or DOJ, entered into a consent order, which was filed with the U.S. District Court for the Northern District of Ohio, Eastern Division. Under the consent order, the DOJ approved a safe harbor framework for us to construct all of our future stadium-style movie theatres. The DOJ has stipulated that all theatres built in compliance with the consent order will comply with the wheelchair seating requirements of the ADA. If we fail to comply with the ADA, remedies could include imposition of injunctive relief, fines, awards for damages to private litigants and additional capital expenditures to remedy non-compliance. Imposition of significant fines, damage awards or capital expenditures to cure non-compliance could adversely affect our business and operating results.

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

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

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

We review long-lived assets for impairment indicators on a quarterly basis or whenever events or changes in circumstances indicate the carrying amount of the assets may not be fully recoverable. We assess many factors when determining whether to impair individual theatre assets, including actual theatre level cash flows, future years budgeted theatre level cash flows, theatre property and equipment carrying values, amortizing intangible asset carrying values, the age of a recently built theatre, competitive theatres in the marketplace, the impact of recent ticket price changes, available lease renewal options and other factors considered relevant in our assessment of impairment of individual theatre assets. Long-lived assets are evaluated for impairment on an individual theatre basis, which we believe is the lowest applicable level for which there are identifiable cash flows. When estimated fair value is determined to be lower than the carrying value of the theatre assets, the theatre assets are written down to their estimated fair value. Since we evaluate long-lived assets for impairment at the theatre level, if a theatre is directly and individually impacted by increased competition, adverse changes in market demographics or adverse changes in the development or condition of the areas surrounding the theatre, we may record impairment charges to reflect the decline in estimated fair value of that theatre.

We have a significant amount of goodwill. We evaluate goodwill for impairment at the reporting unit level at least annually during the fourth quarter or whenever events or changes in circumstances indicate the carrying value of goodwill may not be fully recoverable. Goodwill is evaluated for impairment using a two-step approach under which we compute the fair value of a reporting unit and compare it with its carrying value. If the carrying value of the reporting unit exceeds its fair value, a second step would be performed to measure the potential goodwill impairment. Fair values are based on historical and projected operating performance, recent market transactions and current industry trading multiples. Declines in our stock price or market capitalization, declines in our attendance due to increased competition in certain regions and/or countries or economic factors that lead to a decline in attendance in any given region or country could negatively affect our estimated fair values and could result in further impairments of goodwill. As of December 31, 2013, the estimated fair value of goodwill for all of our reporting units exceeded their carrying values by at least 10%.

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We also have a significant amount of tradename intangible assets. Tradename intangible assets are tested for impairment at least annually during the fourth quarter or whenever events or changes in circumstances indicate the carrying value may not be fully recoverable. We estimate the fair value of our tradenames by applying an estimated market royalty rate that could be charged for the use of our tradename to forecasted future revenues, with an adjustment for the present value of such royalties. If the estimated fair value is less than the carrying value, the tradename intangible asset is written down to its estimated fair value. Significant judgment is involved in estimating market royalty rates and long-term revenue forecasts. Management's estimates are based on historical and projected revenue performance and industry trends. As of December 31, 2013, the estimated fair value of our tradename intangible assets exceeded their carrying values by at least 10%.

We recorded asset impairment charges of \$7.0 million, \$3.0 million and \$3.8 million for the years ended December 31, 2011, 2012 and 2013, respectively. We cannot assure you that additional impairment charges will not be required in the future, and such charges may have an adverse effect on our financial condition and results of operations. See "Management's Discussion and Analysis of Financial Condition and Results of Operations" and Notes 9 and 10 to the consolidated financial statements.

***The impairment or insolvency of certain financial institutions could adversely affect us.***

We have exposure to different counterparties with regard to our interest rate swap agreements. These transactions expose us to credit risk in the event of a default by one or more of our counterparties to such agreements. We also have exposure to financial institutions used as depositories of our corporate cash balances. If our counterparties or financial institutions become impaired or insolvent, this could have an adverse impact on our results of operations or impair our ability to access our cash.

***A credit market crisis may adversely affect our ability to raise capital and may materially impact our operations.***

Severe dislocations and liquidity disruptions in the credit markets could materially impact our ability to obtain debt financing on reasonable terms or at all. The inability to access debt financing on reasonable terms could materially impact our ability to make acquisitions or significantly expand our business in the future.

***We may be subject to liability under environmental laws and regulations.***

We own and operate a large number of theatres and other properties within the U.S. and internationally, which may be subject to various foreign, federal, state and local laws and regulations relating to the protection of the environment or human health. Such environmental laws and regulations include those that impose liability for the investigation and remediation of spills or releases of hazardous materials. We may incur such liability, including for any currently or formerly owned, leased or operated property, or for any site, to which we may have disposed, or arranged for the disposal of, hazardous materials or wastes. Certain of these laws and regulations may impose liability, including on a joint and several liability, which can result in a liable party being obliged to pay for greater than its share, regardless of fault or the legality of the original disposal. Environmental conditions relating to our properties or operations could have an adverse effect on our business and results of operations and cash flows.

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

Our ability to pay dividends is limited by our status as a holding company and the terms of our senior notes indentures, our senior subordinated notes indenture, and our amended senior secured credit facility, which restrict our ability to pay dividends and the ability of certain of our subsidiaries to pay dividends, directly or indirectly, to us. Under our debt instruments, we may pay a cash dividend up to a specified amount, provided we have satisfied certain financial covenants in, and are not in default under, our debt instruments. The declaration of future dividends on our common stock, par value \$0.001 per share, or Common Stock, will be at the discretion of

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our board of directors and will depend upon many factors, including our results of operations, financial condition, earnings, capital requirements, limitations in our debt agreements and legal requirements. See Note 12 to the consolidated financial statements for further discussion of our long term debt agreements.

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

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

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

Certain provisions of our 4.875% senior notes indenture, our 5.125% senior notes indenture, our 7.375% senior subordinated notes indenture and our amended senior secured credit facility may have the effect of delaying or preventing future transactions involving a “change of control.” A “change of control” would require us to make an offer to the holders of our 4.875% senior notes to repurchase all of the outstanding notes at a purchase price equal to 101% of the aggregate principal amount outstanding plus accrued and unpaid interest to the date of the purchase. A “change of control” would require us to make an offer to the holders of our 5.125% senior notes to repurchase all of the outstanding notes at a purchase price equal to 101% of the aggregate principal amount outstanding plus accrued and unpaid interest to the date of purchase. A “change of control”, as defined in the 7.375% senior subordinated notes indenture, would require us to make an offer to repurchase the senior subordinated notes at a price equal to 101% of the aggregate principal amount outstanding plus accrued and unpaid interest, if any, through the date of repurchase. A “change of control” would also be an event of default under our amended senior secured credit facility.

### ***The market price of our Common Stock may be volatile.***

There can be no assurance that an active trading market for our Common Stock will continue. The securities markets have experienced extreme price and volume fluctuations in recent years and the market prices of the securities of companies have been particularly volatile. This market volatility, as well as general economic or political conditions, could reduce the market price of our Common Stock regardless of our operating performance. In addition, our operating results could be below the expectations of investment analysts and investors and, in response, the market price of our Common Stock may decrease significantly and prevent investors from reselling their shares of our Common Stock at or above a market price that is favorable to other stockholders. In the past, companies that have experienced volatility in the market price of their stock have been the subject of securities class action litigation. If we were the subject of securities class action litigation, it could result in substantial costs, liabilities and a diversion of management’s attention and resources.

### ***Future sales of our Common Stock may adversely affect the prevailing market price.***

If a large number of shares of our Common Stock is sold in the open market, or if there is a perception that such sales will occur, the trading price of our Common Stock could decrease. In addition, the sale of these shares could impair our ability to raise capital through the sale of additional Common Stock. As of December 31, 2013, we had an aggregate of 180,105,414 shares of our Common Stock authorized but unissued and not reserved for

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specific purposes. In general, we may issue all of these shares without any action or approval by our stockholders. We may issue shares of our Common Stock in connection with acquisitions.

As of December 31, 2013, we had 115,382,538 shares of our Common Stock outstanding. Of these shares, approximately 103,679,157 shares were freely tradable. The remaining shares of our Common Stock were “restricted securities” as that term is defined in Rule 144 under the Securities Act. Restricted securities may not be resold in a public distribution except in compliance with the registration requirements of the Securities Act or pursuant to an exemption therefrom, including the exemptions provided by Regulation S and Rule 144 promulgated under the Securities Act.

We cannot predict whether substantial amounts of our Common Stock will be sold in the open market in anticipation of, or following, any divestiture by any of our large stockholders, our directors or executive officers of their shares of Common Stock.

As of December 31, 2013, there were 8,027,186 shares of our Common Stock reserved for issuance under our Amended and Restated 2006 Long Term Incentive Plan, of which 14,584 shares of Common Stock were issuable upon exercise of options outstanding as of December 31, 2013. The sale of shares issued upon the exercise of stock options could further dilute your investment in our Common Stock and adversely affect our stock price.

### ***Legislative or regulatory initiatives related to global warming/climate change concerns may negatively impact our business.***

Recently, there has been an increasing focus and continuous debate on global climate change including increased attention from regulatory agencies and legislative bodies. This increased focus may lead to new initiatives directed at regulating an as yet unspecified array of environmental matters. Legislative, regulatory or other efforts in the U.S. to combat climate change could result in future increases in the cost of raw materials, taxes, transportation and utilities for our vendors and for us which would result in higher operating costs for the Company. Also, compliance of our theatres and accompanying real estate with new and revised environmental, zoning, land-use or building codes, laws, rules or regulations, could have a material and adverse effect on our business. However, we are unable to predict at this time, the potential effects, if any, that any future environmental initiatives may have on our business.

## **Item 1B. Unresolved Staff Comments**

None.

## **Item 2. Properties**

### ***United States***

As of December 31, 2013, in the U.S., we operated 292 theatres with 3,856 screens pursuant to leases and own the land and building for 42 theatres with 601 screens. Our leases are generally entered into on a long-term basis with terms, including optional renewal periods, generally ranging from 20 to 45 years. As of December 31, 2013, approximately 9% of our theatre leases in the U.S., covering 25 theatres with 193 screens, have remaining terms, including optional renewal periods, of less than six years. Approximately 10% of our theatre leases in the U.S., covering 29 theatres with 250 screens, have remaining terms, including optional renewal periods, of between six and 15 years and approximately 81% of our theatre leases in the U.S., covering 238 theatres with 3,413 screens, have remaining terms, including optional renewal periods, of more than 15 years. The leases generally provide for a fixed monthly minimum rent payment, with certain leases also subject to additional percentage rent if a target annual revenue level is achieved. We lease an office building in Plano, Texas for our worldwide headquarters. We also lease office space in Frisco, Texas for our theatre support group and McKinney, Texas for some of our maintenance personnel.

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### *International*

As of December 31, 2013, internationally, we operated 148 theatres with 1,106 screens, all of which are leased. Our international leases are generally entered into on a long term basis with terms, including optional renewal periods, generally ranging from 5 to 30 years. The leases generally provide for contingent rental based upon operating results with an annual minimum. As of December 31, 2013, approximately 9% of our international theatre leases, covering 13 theatres with 111 screens, have remaining terms, including optional renewal periods, of less than six years. Approximately 47% of our international theatre leases, covering 70 theatres and 550 screens, have remaining terms, including optional renewal periods, of between six and 15 years and approximately 44% of our international theatre leases, covering 65 theatres and 445 screens, have remaining terms, including optional renewal periods, of more than 15 years. We also lease office space in seven regions in Latin America for our local management.

See Note 21 to the consolidated financial statements for information regarding our minimum lease commitments. We periodically review the profitability of each of our theatres, particularly those whose lease terms are nearing expiration, to determine whether to continue its operations.

### **Item 3. Legal Proceedings**

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

### **Item 4. Mine Safety Disclosures**

Not applicable.

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## PART II

**Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities***Market Information*

Our common equity consists of common stock, which has traded on the New York Stock Exchange since April 24, 2007 under the symbol "CNK." The following table sets forth the historical high and low sales prices per share of our Common Stock as reported by the New York Stock Exchange for the years indicated.

	2012		2013	
	High	Low	High	Low
First Quarter (January 1 – March 31)	\$22.85	\$17.93	\$29.76	\$25.00
Second Quarter (April 1 – June 30)	\$24.45	\$20.99	\$31.77	\$26.59
Third Quarter (July 1 – September 30)	\$24.47	\$22.34	\$31.91	\$27.64
Fourth Quarter (October 1 – December 31)	\$27.50	\$22.18	\$34.35	\$31.10

*Holders of Common Stock*

As of December 31, 2013, there were 160 holders of record of the Company's common stock and there were no other classes of stock issued and outstanding.

*Dividend Policy*

Below is a summary of dividends declared for the fiscal periods indicated:

Date Declared	Date of Record	Date Paid	Amount per Common Share <sup>(1)</sup>	Total Dividends <sup>(2)</sup> (in millions)
02/03/12	03/02/12	03/16/12	\$0.21	\$24.1
05/11/12	06/04/12	06/19/12	\$0.21	24.3
08/08/12	08/21/12	09/05/12	\$0.21	24.3
11/06/12	11/21/12	12/07/12	\$0.21	24.6
Total – Year ended December 31, 2012				\$97.3
02/12/13	03/04/13	03/15/13	\$0.21	\$24.3
05/24/13	06/06/13	06/20/13	\$0.21	24.3
08/15/13	08/28/13	09/12/13	\$0.25	29.0
11/19/13	12/02/13	12/11/13	\$0.25	29.2
Total – Year ended December 31, 2013				\$106.8

<sup>(1)</sup> Beginning with the dividend declared on August 15, 2013, our board of directors raised the quarterly dividend from \$0.21 to \$0.25 per common share.

<sup>(2)</sup> Includes amounts related to restricted stock unit awards that will not be paid until such awards vest.

We, at the discretion of the board of directors and subject to applicable law, anticipate paying regular quarterly dividends on our common stock. The amount, if any, of the dividends to be paid in the future will depend upon our then available cash, anticipated cash needs, overall financial condition, loan agreement restrictions, future prospects for earnings and cash flows, as well as other relevant factors. See Item 7, *Management's Discussion and Analysis of Financial Condition and Results of Operation — Liquidity and Capital Resources — Financing Activities* for a discussion of dividend restrictions under our debt agreements.

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### Performance Graph

Incorporated by reference to the Company's proxy statement for its annual stockholders meeting to be held on May 22, 2014 and to be filed with the SEC within 120 days after December 31, 2013.

### Securities Authorized for Issuance under Equity Compensation Plans

Information regarding securities authorized for issuance under the Company's long-term compensation plan is incorporated by reference to the Company's proxy statement for its annual stockholders meeting (under the heading "Board Committees — Compensation Committee report — Securities Authorized for Issuance under Equity Compensation Plans") to be held on May 22, 2014 and to be filed with the SEC within 120 days after December 31, 2013.

### Item 6. Selected Financial Data

The following table provides our selected consolidated financial and operating data for the periods and at the dates indicated for each of the five most recent years ended December 31, 2013. During August 2011, we acquired ten theatres with 95 screens in Argentina and during May 2013, we acquired 32 theatres with 483 screens in the U.S. The results of operations for these theatres are included in our consolidated results of operations beginning on the dates of the respective acquisitions. You should read the selected consolidated financial and operating data set forth below in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our audited consolidated financial statements and related notes appearing elsewhere in this report.

	Year Ended December 31,				
	2009	2010	2011	2012	2013
(Dollars in thousands, except per share data)					
<b>Statement of Income Data:</b>					
Revenues:					
Admissions	\$ 1,293,378	\$ 1,405,389	\$ 1,471,627	\$ 1,580,401	\$ 1,706,145
Concession	602,880	642,326	696,754	771,405	845,168
Other	80,242	93,429	111,232	121,725	131,581
Total revenues	\$ 1,976,500	\$ 2,141,144	\$ 2,279,613	\$ 2,473,531	\$ 2,682,894
Film rentals and advertising	708,160	769,698	798,606	845,107	919,511
Concession supplies	91,918	97,484	112,122	123,471	135,715
Salaries and wages	203,437	221,246	226,475	247,468	269,353
Facility lease expense	238,779	255,717	276,278	281,615	307,851
Utilities and other	222,660	239,470	259,703	280,670	305,703
General and administrative expenses	96,497	109,045	127,621	148,624	165,351
Total depreciation and amortization	149,515	143,508	154,449	147,675	163,970
Impairment of long-lived assets	11,858	12,538	7,033	3,031	3,794
(Gain) loss on sale of assets and other	3,202	(431)	8,792	12,168	(3,845)
Total cost of operations	\$ 1,726,026	\$ 1,848,275	\$ 1,971,079	\$ 2,089,829	\$ 2,267,403
Operating income	\$ 250,474	\$ 292,869	\$ 308,534	\$ 383,702	\$ 415,491
Interest expense	\$ 102,505	\$ 112,444	\$ 123,102	\$ 123,665	\$ 124,714
Net income	\$ 100,756	\$ 149,663	\$ 132,582	\$ 171,420	\$ 150,548
Net income attributable to Cinemark Holdings, Inc.	\$ 97,108	\$ 146,120	\$ 130,557	\$ 168,949	\$ 148,470
Net income attributable to Cinemark Holdings, Inc. per share:					
Basic	\$ 0.89	\$ 1.30	\$ 1.15	\$ 1.47	\$ 1.28
Diluted	\$ 0.87	\$ 1.29	\$ 1.14	\$ 1.47	\$ 1.28
Dividends declared per common share	\$ 0.72	\$ 0.75	\$ 0.84	\$ 0.84	\$ 0.92

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	Year Ended December 31,				
	2009	2010	2011	2012	2013
	(Dollars in thousands)				
<b>Other Financial Data:</b>					
Ratio of earnings to fixed charges <sup>(1)</sup>	1.84x	2.10x	2.00x	2.44x	2.23x
Cash flow provided by (used for):					
Operating activities	\$ 176,763	\$ 264,751	\$ 391,201	\$ 395,205	\$ 309,666
Investing activities	(183,130)	(136,067)	(247,067)	(234,311)	(364,701)
Financing activities	78,299	(106,650)	(78,414)	63,424	(76,184)
Capital expenditures	(124,797)	(156,102)	(184,819)	(220,727)	(259,670)
	As of December 31,				
	2009	2010	2011	2012	2013
	(Dollars in thousands)				
<b>Balance Sheet Data:</b>					
Cash and cash equivalents	\$ 437,936	\$ 464,997	\$ 521,408	\$ 742,664	\$ 599,929
Theatre properties and equipment, net	1,219,588	1,215,446	1,238,850	1,304,958	1,427,190
Total assets	3,276,448	3,421,478	3,522,408	3,863,226	4,144,163
Total long-term debt and capital lease obligations, including current portion	1,684,073	1,672,601	1,713,393	1,914,181	2,049,156
Equity	914,628	1,033,152	1,023,639	1,094,984	1,102,417
	Year Ended December 31,				
	2009	2010	2011	2012	2013
<b>Operating Data:</b>					
United States <sup>(2)</sup>					
Theatres operated (at period end)	294	293	297	298	334
Screens operated (at period end)	3,830	3,832	3,878	3,916	4,457
Total attendance (in 000s)	165,112	161,174	158,486	163,639	177,156
International <sup>(3)</sup>					
Theatres operated (at period end)	130	137	159	167	148
Screens operated (at period end)	1,066	1,113	1,274	1,324	1,106
Total attendance (in 000s)	71,622	80,026	88,889	100,084	99,402
Worldwide <sup>(2)(3)</sup>					
Theatres operated (at period end)	424	430	456	465	482
Screens operated (at period end)	4,896	4,945	5,152	5,240	5,563
Total attendance (in 000s)	236,734	241,200	247,375	263,723	276,558

<sup>(1)</sup> For the purposes of calculating the ratio of earnings to fixed charges, earnings consist of income from continuing operations before taxes plus fixed charges excluding capitalized interest. Fixed charges consist of interest expense, capitalized interest, amortization of debt issue costs and that portion of rental expense which we believe to be representative of the interest factor.

<sup>(2)</sup> The data excludes certain theatres operated by us in the U.S. pursuant to management agreements that are not part of our consolidated operations.

<sup>(3)</sup> The data excludes certain theatres operated internationally through our affiliates that are not part of our consolidated operations.

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### **Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations**

*The following discussion and analysis should be read in conjunction with the financial statements and accompanying notes included in this report. This discussion contains forward-looking statements. See “Cautionary Statement Regarding Forward-Looking Statements” and “Risk Factors” for a discussion of the uncertainties and risk associated with these statements.*

#### **Overview**

We are a leader in the motion picture exhibition industry, with theatres in the U.S., Brazil, Argentina, Chile, Colombia, Ecuador, Peru, Honduras, El Salvador, Nicaragua, Costa Rica, Panama and Guatemala. We operated theatres in Mexico until November 15, 2013. As of December 31, 2013, we managed our business under two reportable operating segments — U.S. markets and international markets. See Note 22 to the consolidated financial statements.

#### **Revenues and Expenses**

We generate revenues primarily from box office receipts and concession sales with additional revenues from screen advertising sales and other revenue streams, such as vendor marketing promotions, meeting rentals and electronic video games located in some of our theatres. Our contracts with NCM have assisted us in expanding our offerings to domestic advertisers and broadening ancillary revenue sources such as digital video monitor advertising and third party branding. Historically, we have also offered alternative entertainment, such as live and pre-recorded sports programs, concert events, the MET opera and other special presentations in our theatres through our relationship with NCM. We will continue to offer this entertainment through our recently formed joint venture, AC JV, LLC. Our Flix Media initiative has allowed us to expand our screen advertising within our international circuit and to other international exhibitors. Films leading the box office during the year ended December 31, 2013 included *Iron Man 3*, *Despicable Me 2*, *The Hunger Games: Catching Fire*, *Monsters University*, *Frozen*, *Man of Steel*, *Fast & Furious 6*, *Oz: The Great and Powerful*, *Gravity*, *World War Z*, *Thor: the Dark World*, *Star Trek Into Darkness*, *The Croods*, *Hobbit: The Desolation of Smaug*, *The Heat*, *The Conjuring*, *We’re the Millers*, *Identity Thief* and *The Great Gatsby*, among other films. Our revenues are affected by changes in attendance and concession revenues per patron. Attendance is primarily affected by the quality and quantity of films released by motion picture studios. The film slate for 2014 currently includes sequels such as *Hunger Games: Mockingjay Part I*, *Hobbit: There and Back Again*, *Transformers 4*, *Amazing Spider-Man 2*, *How to Train Your Dragon 2*, and *Captain America: The Winter Soldier* and new films such as *The Lego Movie*, *Maleficent*, and *Interstellar*, among other films.

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 generally 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 volume 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 respond to changes in attendance. In some international locations, staffing levels are also subject to local regulations.

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

Utilities and other costs include certain costs that have both fixed and variable components such as utilities, property taxes, janitorial costs, repairs and maintenance and security services.

### **Critical Accounting Policies**

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

#### *Revenue and Expense Recognition*

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

Film rental costs are accrued based on the applicable box office receipts and either mutually agreed upon firm terms or a sliding scale formula, which are generally established prior to the opening of the film, or estimates of the final mutually agreed upon settlement, which occurs at the conclusion of the film run, subject to the film licensing arrangement. Under a firm terms formula, we pay the distributor a mutually agreed upon percentage of box office receipts, which reflects either a mutually agreed upon aggregate rate for the life of the film or rates that decline over the term of the run. Under a sliding scale formula, we pay a percentage of box office revenues using a pre-determined matrix that is based upon box office performance of the film. The settlement process allows for negotiation of film rental fees upon the conclusion of the film run based upon how the film performs. Estimates are based on the expected success of a film. The success of a film can typically be determined a few weeks after a film is released when initial box office performance of the film is known. Accordingly, final settlements typically approximate estimates since box office receipts are known at the time the estimate is made and the expected success of a film can typically be estimated early in the film's run. If actual settlements are different than those estimates, film rental costs are adjusted at that time. Our advertising costs are expensed as incurred.

Facility lease expense is primarily a fixed cost at the theatre level as most of our facility leases require a fixed monthly minimum rent payment. Certain of our leases are subject to monthly percentage rent only, which is accrued each month based on actual revenues. Certain of our other theatres require payment of percentage rent in addition to fixed monthly rent if an annual target revenue level is achieved. Percentage rent expense is estimated and recorded for these theatres on a monthly basis if the theatre's historical performance or forecasted performance indicates that the annual target revenue level will be reached. Once annual revenues are known, which is generally at the end of the year, the percentage rent expense is adjusted at that time. We record the fixed minimum rent payments on a straight-line basis over the lease term.

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

### *Impairment of Long-Lived Assets*

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

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

Long-lived assets are evaluated for impairment on an individual theatre basis, which we believe is the lowest applicable level for which there are identifiable cash flows. The impairment evaluation is based on the estimated undiscounted cash flows from continuing use through the remainder of the theatre's useful life. The remainder of the theatre's useful life correlates with the available remaining lease period, which includes the probability of renewal periods for leased properties and a period of approximately twenty years for fee owned properties. If the estimated undiscounted cash flows are not sufficient to recover a long-lived asset's carrying value, we then compare the carrying value of the asset group (theatre) with its estimated fair value. 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, which fall under Level 3 of the U.S. GAAP fair value hierarchy as defined by FASB ASC Topic 820-10-35, are based on historical and projected operating performance, recent market transactions and current industry trading multiples. Fair value is determined based on a multiple of cash flows, which was six and a half times for the evaluations performed during 2011, 2012 and 2013. The long-lived asset impairment charges related to theatre properties recorded during each of the periods presented are specific to theatres that were directly and individually impacted by increased competition, adverse changes in market demographics, or adverse changes in the development or the conditions of the areas surrounding the theatre.

### *Impairment of Goodwill and Intangible Assets*

We evaluate goodwill for impairment annually during the fourth quarter or whenever events or changes in circumstances indicate the carrying value of the goodwill may not be fully recoverable. We evaluate goodwill for impairment at the reporting unit level and have allocated goodwill to the reporting unit based on an estimate of its relative fair value. Management considers the reporting unit to be each of our eighteen regions in the U.S. and each of our seven international countries (Honduras, El Salvador, Nicaragua, Costa Rica, Panama and Guatemala are considered one reporting unit). The evaluation is a two-step approach requiring us to compute the fair value of a reporting unit and compare it with its carrying value. If the carrying value of the reporting unit exceeds its

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estimated fair value, a second step is performed to measure the potential goodwill impairment. Significant judgment is involved in estimating cash flows and fair value. Management's estimates, which fall under Level 3 of the U.S. GAAP fair value hierarchy as defined by FASB ASC Topic 820-10-35, are based on historical and projected operating performance, recent market transactions and current industry trading multiples. Fair value is determined based on a multiple of cash flows, which was seven and a half times for the evaluations performed during 2011 and 2012 and eight times for the evaluation performed during 2013. We increased the multiple of cash flows used for the evaluation performed during the year ended December 31, 2013 due to the increase in industry trading multiples, and the increase in our stock price and resulting market capitalization. As of December 31, 2013, the estimated fair value of goodwill for all of our reporting units exceeded their carrying value by at least 10%.

Tradename intangible assets are tested for impairment at least annually during the fourth quarter or whenever events or changes in circumstances indicate the carrying value may not be fully recoverable. We estimate the fair value of our tradenames by applying an estimated market royalty rate that could be charged for the use of our tradename to forecasted future revenues, with an adjustment for the present value of such royalties. If the estimated fair value is less than the carrying value, the tradename intangible asset is written down to its estimated fair value. Significant judgment is involved in estimating market royalty rates and long-term revenue forecasts. Management's estimates, which fall under Level 3 of the U.S. GAAP fair value hierarchy as defined by FASB ASC Topic 820-10-35, are based on historical and projected revenue performance and industry trends. As of December 31, 2013, the estimated fair value of our tradename intangible assets exceeded their carrying values by at least 10%.

### *Income Taxes*

We use an asset and liability approach to financial accounting and reporting for income taxes. Deferred income taxes are provided when tax laws and financial accounting standards differ with respect to the amount of income for a year and the basis of assets and liabilities. A valuation allowance is recorded to reduce the carrying amount of deferred tax assets unless it is more likely than not that such assets will be realized. Income taxes are provided on unremitted earnings from foreign subsidiaries unless such earnings are expected to be indefinitely reinvested. Income taxes have also been provided for potential tax assessments. The evaluation of an uncertain tax position is a two-step process. The first step is recognition: We determine whether it is more likely than not that a tax position will be sustained upon examination, including resolution of any related appeals or litigation processes, based on the technical merits of the position. In evaluating whether a tax position has met the more-likely-than-not recognition threshold, we presume that the position would be examined by the appropriate taxing authority that would have full knowledge of all relevant information. The second step is measurement: A tax position that meets the more-likely-than-not recognition threshold is measured to determine the amount of benefit to recognize in the financial statements. The tax position is measured at the largest amount of benefit that is greater than 50 percent likely of being realized upon ultimate settlement. Differences between tax positions taken in a tax return and amounts recognized in the financial statements result in (1) a change in a liability for income taxes payable or (2) a change in an income tax refund receivable, a deferred tax asset or a deferred tax liability or both (1) and (2). We accrue interest and penalties on uncertain tax positions.

### *Accounting for Investment in National CineMedia, LLC and Related Agreements*

We have an investment in NCM. NCM operates a digital in-theatre network in the U.S. for providing cinema advertising and non-film events. 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., or "NCM Inc.", a newly formed entity that 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 and the Exhibitor Services Agreement, or ESA, with NCM and received proceeds related to the modification of the ESA and the Company's sale of certain of its shares in NCM. The ESA modification reflected a shift from circuit share expense under the prior Exhibitor Services Agreement, which obligated NCM to pay the Company a percentage of revenue, to a monthly theatre access fee, which significantly reduced the contractual amounts paid to the Company by NCM. The Company recorded the proceeds related to the ESA modification as deferred

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revenue, which is being amortized into other revenues over the life of the agreement using the units of revenue method. As a result of the proceeds received as part of the NCM, Inc. initial public offering, the Company had a negative basis in its original membership units in NCM (referred to herein as its Tranche 1 Investment). The Company does not recognize undistributed equity in the earnings on its Tranche 1 Investment until NCM's future net earnings, less distributions received, surpass the amount of the excess distribution. The Company recognizes equity in earnings on its Tranche 1 Investment only to the extent it receives cash distributions from NCM. The Company believes that the accounting model provided by ASC 323-10-35-22 for recognition of equity investee losses in excess of an investor's basis is analogous to the accounting for equity income subsequent to recognizing an excess distribution.

Pursuant to a Common Unit Adjustment Agreement dated as of February 13, 2007 between NCM, Inc. and Cinemark, AMC and Regal, collectively referred to as its Founding Members, annual adjustments to the common membership units are made primarily based on increases or decreases in the number of theatre screens operated and theatre attendance generated by each Founding Member. To account for the receipt of additional common units under the Common Unit Adjustment Agreement, the Company follows the guidance in ASC 323-10-35-29 (formerly EITF 02-18, *Accounting for Subsequent Investments in an Investee after Suspension of Equity Loss Recognition*) by analogy, which also refers to AICPA Technical Practice Aid 2220.14, which indicates that if a subsequent investment is made in an equity method investee that has experienced significant losses, the investor must determine if the subsequent investment constitutes funding of prior losses. The Company concluded that the construction or acquisition of new theatres that has led to the common unit adjustments equates to making additional investments in National CineMedia. The Company evaluated the receipt of the additional common units in National CineMedia and the assets exchanged for these additional units and has determined that the right to use its incremental new screens would not be considered funding of prior losses. The Company accounts for these additional common units (referred to herein as its Tranche 2 Investment) as a separate investment than its Tranche 1 Investment. The common units received are recorded at fair value as an increase in the Company's investment in NCM with an offset to deferred revenue. The deferred revenue is amortized over the remaining term of the ESA. The Tranche 2 Investment is accounted for following the equity method, with undistributed equity earnings related to its Tranche 2 Investment included as a component of equity in income of affiliates and distributions received related to its Tranche 2 Investment are recorded as a reduction of its investment basis.

## **Recent Developments**

### *Dividend Declaration*

On February 14, 2014, our board of directors declared a cash dividend for the fourth quarter of 2013 of \$0.25 per common share payable to stockholders of record on March 4, 2014. The dividend will be paid on March 19, 2014.

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### Results of Operations

The following table sets forth, for the periods indicated, the amounts for certain items reflected in our consolidated statements of income along with each of those items as a percentage of revenues. During August 2011, we acquired ten theatres with 95 screens in Argentina and during May 2013, we acquired 32 theatres with 483 screens in the U.S. The results of operations for these theatres are included in our consolidated results of operations beginning on the dates of the respective acquisitions.

	Year Ended December 31,		
	2011	2012	2013
<b>Operating data (in millions):</b>			
Revenues			
Admissions	\$ 1,471.6	\$ 1,580.4	\$ 1,706.1
Concession	696.8	771.4	845.2
Other	111.2	121.7	131.6
Total revenues	2,279.6	2,473.5	2,682.9
Cost of operations			
Film rentals and advertising	798.6	845.1	919.5
Concession supplies	112.1	123.5	135.7
Salaries and wages	226.5	247.4	269.3
Facility lease expense	276.3	281.6	307.9
Utilities and other	259.7	280.7	305.7
General and administrative expenses	127.6	148.6	165.4
Depreciation and amortization	154.4	147.7	164.0
Impairment of long-lived assets	7.0	3.0	3.8
(Gain) loss on sale of assets and other	8.8	12.2	(3.9)
Total cost of operations	1,971.0	2,089.8	2,267.4
Operating income	\$ 308.6	\$ 383.7	\$ 415.5
<b>Operating data as a percentage of total revenues:</b>			
Revenues			
Admissions	64.6%	63.9%	63.6%
Concession	30.6%	31.2%	31.5%
Other	4.8%	4.9%	4.9%
Total revenues	100.0%	100.0%	100.0%
Cost of operations <sup>(1)</sup>			
Film rentals and advertising	54.3%	53.5%	53.9%
Concession supplies	16.1%	16.0%	16.1%
Salaries and wages	9.9%	10.0%	10.0%
Facility lease expense	12.1%	11.4%	11.5%
Utilities and other	11.4%	11.3%	11.4%
General and administrative expenses	5.6%	6.0%	6.2%
Depreciation and amortization	6.8%	6.0%	6.1%
Impairment of long-lived assets	0.3%	0.1%	0.1%
(Gain) loss on sale of assets and other	0.4%	0.5%	(0.1%)
Total cost of operations	86.5%	84.5%	84.5%
Operating income	13.5%	15.5%	15.5%
Average screen count (month end average)	5,021	5,198	5,548
Revenues per average screen (dollars)	\$454,051	\$475,897	\$483,579

<sup>(1)</sup> 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.

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### Comparison of Years Ended December 31, 2013 and December 31, 2012

*Revenues.* Total revenues increased \$209.4 million to \$2,682.9 million for 2013 from \$2,473.5 million for 2012, representing an 8.5% 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		
	Year Ended December 31,			Year Ended December 31,			Year Ended December 31,		
	2013	2012	% Change	2013	2012	% Change	2013	2012	% Change
Admissions revenues <sup>(1)</sup>	\$1,231.4	\$1,099.6	12.0%	\$474.7	\$480.8	(1.3%)	\$1,706.1	\$1,580.4	8.0%
Concession revenues <sup>(1)</sup>	\$ 609.3	\$ 546.2	11.6%	\$235.9	\$225.2	4.8%	\$ 845.2	\$ 771.4	9.6%
Other revenues <sup>(1)(2)</sup>	\$ 59.1	\$ 50.1	18.0%	\$ 72.5	\$ 71.6	1.3%	\$ 131.6	\$ 121.7	8.1%
Total revenues <sup>(1)(2)</sup>	\$1,899.8	\$1,695.9	12.0%	\$783.1	\$777.6	0.7%	\$2,682.9	\$2,473.5	8.5%
Attendance <sup>(1)</sup>	177.2	163.6	8.3%	99.4	100.1	(0.7%)	276.6	263.7	4.9%

<sup>(1)</sup> Amounts in millions.

<sup>(2)</sup> U.S. operating segment revenues include eliminations of intercompany transactions with the international operating segment. See Note 22 of our consolidated financial statements.

- *U.S.* The increase in admissions revenues of \$131.8 million was primarily attributable to an 8.3% increase in attendance and a 3.4% increase in average ticket price from \$6.72 for 2012 to \$6.95 for 2013. The increase in concession revenues of \$63.1 million was primarily attributable to the 8.3% increase in attendance and a 3.0% increase in concession revenues per patron from \$3.34 for 2012 to \$3.44 for 2013. Our revenues and attendance for 2013 also benefited from the inclusion of the 32 Rave theatres acquired on May 29, 2013 (see Note 5 to the consolidated financial statements). The increase in average ticket price was primarily due to price increases and the pricing at acquired theatres. The increase in concession revenues per patron was primarily due to incremental sales and price increases. The increase in other revenues was primarily attributable to the 8.3% increase in attendance, which resulted in increases in screen advertising, video game and other promotional revenues.
- *International.* The decrease in admissions revenues of \$6.1 million was primarily attributable to a 0.7% decrease in attendance and a 0.4% decrease in average ticket price from \$4.80 for 2012 to \$4.78 for 2013. The increase in concession revenues of \$10.7 million was primarily attributable to the 5.3% increase in concession revenues per patron from \$2.25 for 2012 to \$2.37 for 2013. The decrease in attendance was partly due to the sale of our Mexico theatres on November 15, 2013. The decrease in average ticket price was primarily due to the unfavorable impact of exchange rates in certain countries in which we operate. The increase in concession revenues per patron was primarily due to incremental sales and price increases, partially offset by the unfavorable impact of exchange rates in certain countries in which we operate.

*Cost of Operations.* The table below summarizes certain of our theatre operating costs by reportable operating segment (in millions).

	U.S. Operating Segment		International Operating Segment		Consolidated	
	Year Ended December 31,		Year Ended December 31,		Year Ended December 31,	
	2013	2012	2013	2012	2013	2012
Film rentals and advertising	\$ 687.3	\$ 610.5	\$ 232.2	\$ 234.6	\$ 919.5	\$ 845.1
Concession supplies	83.7	71.1	52.0	52.4	135.7	123.5
Salaries and wages	192.5	174.2	76.8	73.2	269.3	247.4
Facility lease expense	215.5	191.1	92.4	90.5	307.9	281.6
Utilities and other	204.5	182.9	101.2	97.8	305.7	280.7

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- U.S. Film rentals and advertising costs were \$687.3 million, or 55.8% of admissions revenues, for 2013 compared to \$610.5 million, or 55.5% of admissions revenues, for 2012. The increase in film rentals and advertising costs of \$76.8 million was primarily due to the \$131.8 million increase in admissions revenues. Concession supplies expense was \$83.7 million, or 13.7% of concession revenues, for 2013 compared to \$71.1 million, or 13.0% of concession revenues, for 2012. The increase in the concession supplies rate was primarily due to increases in inventory procurement costs.  
Salaries and wages increased to \$192.5 million for 2013 from \$174.2 million for 2012. Facility lease expense increased to \$215.5 million for 2013 from \$191.1 million for 2012. Utilities and other costs increased to \$204.5 million for 2013 from \$182.9 million for 2012. All of the above-mentioned theatre operating costs for 2013 increased due to the inclusion of the 32 Rave theatres acquired on May 29, 2013 (see Note 5 to the consolidated financial statements). Utilities and other costs were also impacted by increased equipment lease and personal property tax expenses related to digital and 3-D equipment, increased security expense and increased repairs and maintenance expense.
- International. Film rentals and advertising costs were \$232.2 million, or 48.9% of admissions revenues, for 2013 compared to \$234.6 million, or 48.8% of admissions revenues, for 2012. Concession supplies expense was \$52.0 million, or 22.0% of concession revenues, for 2013 compared to \$52.4 million, or 23.3% of concession revenues, for 2012. The decrease in the concession supplies rate is due to the mix of products sold during 2013 compared to 2012 and the impact of concession price increases. Each of the expenses previously discussed were also impacted by the change in exchange rates in certain countries in which we operate.  
Salaries and wages increased to \$76.8 million for 2013 from \$73.2 million for 2012 primarily due to new theatres and increased wage rates. Facility lease expense increased to \$92.4 million for 2013 from \$90.5 for 2012 primarily due to new theatres and increased common area maintenance expense. Utilities and other costs increased to \$101.2 million for 2013 from \$97.8 million for 2012 partially due to new theatres and increased property taxes. Each of the expenses previously discussed were also impacted by the change in exchange rates in certain countries in which we operate.  
*General and Administrative Expenses.* General and administrative expenses increased to \$165.4 million for 2013 from \$148.6 million for 2012. The increase was primarily due to increased salaries and incentive compensation expense of approximately \$7.1 million, increased professional fees of \$5.0 million and increased credit card fees of \$3.6 million. General and administrative expenses for 2013 also included approximately \$1.5 million in severance expense and approximately \$1.8 million in share based award compensation expense related to the sale of our Mexico theatres on November 15, 2013.  
*Depreciation and Amortization.* Depreciation and amortization expense, including amortization of favorable/ unfavorable leases, was \$164.0 million for 2013 compared to \$147.7 million for 2012. The increase was primarily due to new theatres, including the 32 Rave theatres acquired on May 29, 2013.  
*Impairment of Long-Lived Assets.* We recorded asset impairment charges on assets held and used of \$3.8 million for 2013 compared to \$3.0 million for 2012. Impairment charges for 2013 were related to theatre properties, impacting twelve of our twenty-six reporting units. Impairment charges for 2012 were related to theatre properties, impacting fourteen of our twenty-four reporting units. The long-lived asset impairment charges recorded during each of the periods presented were specific to theatres that were directly and individually impacted by increased competition, adverse changes in market demographics, or adverse changes in the development or the conditions of the areas surrounding the theatre. See Notes 9 and 10 to our consolidated financial statements.  
*(Gain) Loss on Sale of Assets and Other.* We recorded a gain on sale of assets and other of \$3.9 million during 2013 compared to a loss of \$12.2 million during 2012. The gain recorded during 2013 included a gain of \$3.5 million related to the sale of our Mexico theatres and a gain of \$2.3 million related to the sale of one theatre

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in Argentina partially offset by the retirement of equipment replaced during the period. The loss recorded during 2012 included a \$6.7 million lease termination reserve for a closed theatre and the retirement of certain theatre equipment that was replaced during the year.

*Interest Expense.* Interest costs incurred, including amortization of debt issue costs, were \$124.7 million for 2013 compared to \$123.7 million for 2012. See Note 12 to our consolidated financial statements for further discussion of our long-term debt.

*Loss on Early Retirement of Debt.* We recorded a loss on early retirement of debt of approximately \$72.3 million during 2013 as a result of the redemption of Cinemark USA, Inc.'s 8.625% Senior Notes on June 24, 2013. The loss on early retirement of debt included approximately \$56.6 million for a make-whole premium paid and the write-off of approximately \$8.0 million in unamortized bond discount and \$7.6 million in unamortized debt issue costs and the payment of \$0.1 million of other fees. We recorded a loss on early retirement of debt of \$5.6 million during 2012 related to the amendment and restatement of our senior secured credit facility. See Note 12 to our consolidated financial statements for further discussion of our long-term debt.

*Distributions from NCM.* We recorded distributions received from NCM of \$20.7 million during 2013 and \$20.8 million during 2012, which were in excess of the carrying value of our Tranche 1 Investment. See Note 6 to our consolidated financial statements.

*Equity in Income of Affiliates.* We recorded equity in income of affiliates of \$22.7 million during 2013 and \$13.1 million during 2012. The equity in income of affiliates recorded during 2013 primarily included approximately \$11.6 million of income related to our equity investment in NCM (see Note 6 to our consolidated financial statements) and approximately \$11.2 million of income related to our equity investment in DCIP (see Note 7 to our consolidated financial statements). The equity in income of affiliates recorded during 2012 primarily included approximately \$4.4 million of income related to our equity investment in NCM and approximately \$8.9 million of income related to our equity investment in DCIP.

*Income Taxes.* Income tax expense of \$113.3 million was recorded for 2013 compared to \$125.4 million recorded for 2012. The effective tax rate for 2013 was 42.9%. The effective tax rate for 2012 was 42.2%. See Note 20 to our consolidated financial statements.

### Comparison of Years Ended December 31, 2012 and December 31, 2011

*Revenues.* Total revenues increased \$193.9 million to \$2,473.5 million for 2012 from \$2,279.6 million for 2011, representing an 8.5% 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		
	Year Ended December 31,			Year Ended December 31,			Year Ended December 31,		
	2012	2011	% Change	2012	2011	% Change	2012	2011	% Change
Admissions revenues <sup>(1)</sup>	\$1,099.6	\$1,033.6	6.4%	\$480.8	\$438.0	9.8%	\$1,580.4	\$1,471.6	7.4%
Concession revenues <sup>(1)</sup>	\$ 546.2	\$ 503.4	8.5%	\$225.2	\$193.4	16.4%	\$ 771.4	\$ 696.8	10.7%
Other revenues <sup>(1)(2)</sup>	\$ 50.1	\$ 46.5	7.7%	\$ 71.6	\$ 64.7	10.7%	\$ 121.7	\$ 111.2	9.4%
Total revenues <sup>(1)(2)</sup>	\$1,695.9	\$1,583.5	7.1%	\$777.6	\$696.1	11.7%	\$2,473.5	\$2,279.6	8.5%
Attendance <sup>(1)</sup>	163.6	158.5	3.2%	100.1	88.9	12.6%	263.7	247.4	6.6%

<sup>(1)</sup> Amounts in millions.

<sup>(2)</sup> U.S. operating segment revenues include eliminations of intercompany transactions with the international operating segment. See Note 22 of our consolidated financial statements.

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- U.S. The increase in admissions revenues of \$66.0 million was primarily attributable to a 3.2% increase in attendance and a 3.1% increase in average ticket price from \$6.52 for 2011 to \$6.72 for 2012. The increase in concession revenues of \$42.8 million was primarily attributable to the 3.2% increase in attendance and a 5.0% increase in concession revenues per patron from \$3.18 for 2011 to \$3.34 for 2012. The increase in attendance was primarily due to new theatres. The increase in average ticket price was primarily due to price increases and an increase in 3-D and XD ticket sales. The increase in concession revenues per patron was primarily due to incremental sales and price increases.
- International. The increase in admissions revenues of \$42.8 million was primarily attributable to a 12.6% increase in attendance, partially offset by a 2.6% decrease in average ticket price from \$4.93 for 2011 to \$4.80 for 2012. The increase in concession revenues of \$31.8 million was primarily attributable to the 12.6% increase in attendance and a 3.2% increase in concession revenues per patron from \$2.18 for 2011 to \$2.25 for 2012. The increase in attendance was primarily due to new theatres, including the ten theatres in Argentina acquired during August 2011. The decrease in average ticket price was primarily due to the unfavorable impact of exchange rates in certain countries in which we operate, partially offset by price increases. The increase in concession revenues per patron was primarily due to price increases, partially offset by the unfavorable impact of exchange rates in certain countries in which we operate. The 10.7% increase in other revenues was primarily due to increased screen advertising revenues in Brazil, Argentina and Mexico, partially offset by the unfavorable impact of exchange rates in certain countries in which we operate.

*Cost of Operations.* The table below summarizes certain of our theatre operating costs by reportable operating segment (in millions).

	U.S. Operating Segment		International Operating Segment		Consolidated	
	Year Ended December 31,		Year Ended December 31,		Year Ended December 31,	
	2012	2011	2012	2011	2012	2011
Film rentals and advertising	\$ 610.5	\$ 574.2	\$ 234.6	\$ 224.4	\$ 845.1	\$ 798.6
Concession supplies	71.1	64.0	52.4	48.1	123.5	112.1
Salaries and wages	174.2	167.5	73.2	59.0	247.4	226.5
Facility lease expense	191.1	185.8	90.5	90.5	281.6	276.3
Utilities and other	182.9	174.5	97.8	85.2	280.7	259.7

- U.S. Film rentals and advertising costs were \$610.5 million, or 55.5% of admissions revenues, for 2012 compared to \$574.2 million, or 55.6% of admissions revenues, for 2011. The increase in film rentals and advertising costs of \$36.3 million was primarily due to the \$66.0 million increase in admissions revenues. Concession supplies expense was \$71.1 million, or 13.0% of concession revenues, for 2012 compared to \$64.0 million, or 12.7% of concession revenues, for 2011. The increase in the concession supplies rate was primarily due to increases in inventory procurement costs.

Salaries and wages increased to \$174.2 million for 2012 from \$167.5 million for 2011 primarily due to new theatres. Facility lease expense increased to \$191.1 million for 2012 from \$185.8 million for 2011 primarily due to new theatres. Utilities and other costs increased to \$182.9 million for 2012 from \$174.5 million for 2011 primarily due to new theatres, increased equipment lease and personal property tax expenses related to digital and 3-D equipment, increased security expense and increased repairs and maintenance expense.

- International. Film rentals and advertising costs were \$234.6 million, or 48.8% of admissions revenues, for 2012 compared to \$224.4 million, or 51.2% of admissions revenues, for 2011. The decrease in the film rentals and advertising rate is primarily due to the impact of the increased virtual print fees that we earn from studios on certain films played in our international locations. Concession supplies expense was \$52.4 million, or 23.3% of concession revenues, for 2012 compared to \$48.1 million, or 24.9% of concession revenues, for 2011. The decrease in the concession supplies rate is due to the mix of products sold during 2012 compared to 2011 and the impact of concession price increases. Each of the expenses previously discussed were also impacted by the change in exchange rates in certain countries in which we operate.

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Salaries and wages increased to \$73.2 million for 2012 from \$59.0 million for 2011 primarily due to new theatres, including the ten theatres in Argentina acquired during August 2011 and increased wage rates. Facility lease expense was \$90.5 million for 2012 and 2011. Utilities and other costs increased to \$97.8 million for 2012 from \$85.2 million for 2011 primarily due to new theatres, including the ten theatres in Argentina acquired during August 2011, increased janitorial costs and increased screen advertising commissions and related expenses. Each of the expenses previously discussed were also impacted by the change in exchange rates in certain countries in which we operate.

*General and Administrative Expenses.* General and administrative expenses increased to \$148.6 million for 2012 from \$127.6 million for 2011. The increase was primarily due to increased salaries and incentive compensation expense of approximately \$7.7 million, increased share based awards compensation expense of \$5.4 million, increased professional fees of \$1.8 million and additional overhead expenses associated with the ten theatres in Argentina acquired in August 2011.

*Depreciation and Amortization.* Depreciation and amortization expense, including amortization of favorable/ unfavorable leases, was \$147.7 million for 2012 compared to \$154.4 million for 2011. The decrease was primarily due to the impact of accelerated depreciation taken on our domestic 35 millimeter projection systems that were replaced with digital projection systems during 2011. We recorded approximately \$10.6 million of depreciation expense related to our domestic 35 millimeter projection systems during 2011. Our domestic 35 millimeter projection systems were fully depreciated as of December 31, 2011.

*Impairment of Long-Lived Assets.* We recorded asset impairment charges on assets held and used of \$3.0 million for 2012 compared to \$7.0 million for 2011. Impairment charges for 2012 were related to theatre properties, impacting fourteen of our twenty-four reporting units. Impairment charges for 2011 were related to theatre properties, impacting fourteen of our twenty-four reporting units. The long-lived asset impairment charges recorded during each of the periods presented were specific to theatres that were directly and individually impacted by increased competition, adverse changes in market demographics, or adverse changes in the development or the conditions of the areas surrounding the theatre. See Notes 9 and 10 to our consolidated financial statements.

*Loss on Sale of Assets and Other.* We recorded a loss on sale of assets and other of \$12.2 million during 2012 compared to \$8.8 million during 2011. The loss recorded during 2012 included a \$6.7 million lease termination reserve for a closed theatre and the retirement of certain theatre equipment that was replaced during the year. The loss recorded during 2011 included a loss of \$2.3 million related to a settlement for a previously terminated interest rate swap agreement, a loss of \$1.0 million related to the sale of digital projection systems to DCIP and the write-off of theatre properties and equipment primarily as a result of theatre remodels.

*Interest Expense.* Interest costs incurred, including amortization of debt issue costs, were \$123.7 million for 2012 compared to \$123.1 million for 2011. See Note 12 to our consolidated financial statements for further discussion of our long-term debt.

*Loss on Early Retirement of Debt.* We recorded a loss on early retirement of debt of \$5.6 million during 2012 related to the amendment and restatement of our senior secured credit facility. We recorded a loss on early retirement of debt of \$4.9 million during 2011 related to the prepayment of approximately \$157.2 million of the unextended portion of our term loan debt. The loss for the 2011 period included the write-off of \$2.2 million of unamortized debt issue costs related to the portion of the term loan debt that was prepaid and the reclassification of \$2.7 million from accumulated other comprehensive loss to earnings as a result of our determination that quarterly interest payments hedged by certain of our interest rate swap agreements are no longer probable to occur. See Note 12 to our consolidated financial statements for further discussion of our long-term debt.

*Distributions from NCM.* We recorded distributions received from NCM of \$20.8 million during 2012 and \$24.2 million during 2011, which were in excess of the carrying value of our Tranche 1 Investment. See Note 6 to our consolidated financial statements.

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*Loss on Marketable Securities — RealD.* We recorded a loss on our investment in RealD of \$12.6 million during 2011 due to an other-than-temporary impairment of our investment. The loss recorded represented the cumulative net unrealized holding losses we had previously recorded in accumulated other comprehensive loss. These cumulative net unrealized holding losses were recognized as a loss during 2011 due to the length of time and extent to which RealD's stock price had been below our basis in the stock. See Note 8 to our consolidated financial statements.

*Equity in Income of Affiliates.* We recorded equity in income of affiliates of \$13.1 million during 2012 and \$5.7 million during 2011. The equity in income of affiliates recorded during 2012 primarily included approximately \$4.4 million of income related to our equity investment in NCM (see Note 6 to our consolidated financial statements) and approximately \$8.9 million of income related to our equity investment in DCIP (see Note 7 to our consolidated financial statements). The equity in income of affiliates recorded during 2011 primarily included approximately \$5.4 million of income related to our equity investment in NCM and approximately \$0.5 million of income related to our equity investment in DCIP.

*Income Taxes.* Income tax expense of \$125.4 million was recorded for 2012 compared to \$73.1 million recorded for 2011. The effective tax rate for 2012 was 42.2%. The effective tax rate for 2011 was 35.5%. See Note 20 to our consolidated financial statements.

## Liquidity and Capital Resources

### Operating Activities

We primarily collect our revenues in cash, mainly through box office receipts and the sale of concessions. In addition, a majority of our theatres provide the patron a choice of using a credit card, debit card or advanced-sale type certificates, such as a gift card, in place of cash. Because our revenues are received in cash prior to the payment of related expenses, we have an operating "float" and historically have not required traditional working capital financing. Cash provided by operating activities amounted to \$391.2 million, \$395.2 million and \$309.7 million for the years ended December 31, 2011, 2012 and 2013, respectively. Cash provided by operating activities was lower in 2013 primarily due to the make-whole premium of \$56.6 million paid to redeem the 8.625% Senior Notes, which was included in net income.

### Investing Activities

Our investing activities have been principally related to the development and acquisition of theatres. New theatre openings and acquisitions historically have been financed with internally generated cash and by debt financing, including borrowings under our amended senior secured credit facility. Cash used for investing activities amounted to \$247.1 million, \$234.3 million and \$364.7 million for the years ended December 31, 2011, 2012 and 2013, respectively. Cash used for investing activities for the year ended December 31, 2013 included the acquisition of 34 theatres in the U.S. for approximately \$259.2 million and increased capital expenditures, partially offset by proceeds of approximately \$126.2 million from the sale of our theatres in Mexico.

Capital expenditures for the years ended December 31, 2011, 2012 and 2013 were as follows (in millions):

<u>Period</u>	<u>New Theatres</u>	<u>Existing Theatres</u>	<u>Total</u>
Year Ended December 31, 2011	\$ 73.5	\$ 111.3	\$184.8
Year Ended December 31, 2012	\$ 104.9	\$ 115.8	\$220.7
Year Ended December 31, 2013	\$ 134.7	\$ 125.0	\$259.7

We continue to invest in our U.S. theatre circuit. We built ten new theatres and 113 screens, acquired 34 theatres with 513 screens and closed or sold eight theatres with 85 screens during the year ended December 31, 2013, bringing our total domestic screen count to 4,457. At December 31, 2013, we had signed commitments to

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open eight new theatres with 90 screens in domestic markets during 2014 and open five new theatres with 62 screens subsequent to 2014. We estimate the remaining capital expenditures for the development of these 152 domestic screens will be approximately \$90 million. Actual expenditures for continued theatre development and acquisitions are subject to change based upon the availability of attractive opportunities.

We also continue to invest in our international theatre circuit. We built 13 new theatres and 83 screens and closed or sold 32 theatres and 301 screens during the year ended December 31, 2013, bringing our total international screen count to 1,106. At December 31, 2013, we had signed commitments to open 13 new theatres and 88 screens in international markets during 2014 and open three new theatres with 23 screens subsequent to 2014. We estimate the remaining capital expenditures for the development of these 111 international screens will be approximately \$70 million. Actual expenditures for continued theatre development and acquisitions are subject to change based upon the availability of attractive opportunities.

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

### ***Financing Activities***

Cash provided by (used for) financing activities was \$(78.4) million, \$63.4 million and \$(76.2) million during the years ended December 31, 2011, 2012 and 2013, respectively. See Note 4 to the consolidated financial statements for a summary of dividends declared and paid during the years ended December 31, 2011, 2012 and 2013. Cash provided by financing activities for the year ended December 31, 2012 includes proceeds of \$700.0 million from the amended senior secured credit facility and proceeds of \$400.0 million from the issuance of Cinemark USA, Inc.'s 5.125% Senior Notes. A majority of these proceeds were used to pay off the remaining \$899.0 million term loan outstanding under the former senior secured credit facility. Cash used for financing activities for the year ended December 31, 2013 included proceeds from the issuance of Cinemark USA, Inc.'s 4.875% Senior Notes, partially offset by the redemption of Cinemark USA, Inc.'s 8.625% Senior Notes. See below for further information regarding these transactions.

During December 2013, we entered into a series of agreements with Regal, AMC and NCM that resulted in the formation of a new joint venture that now owns the "Fathom Events" division formerly operated by NCM. In conjunction with the formation of this joint venture, called AC JV, LLC ("AC"), we received ownership units in AC in exchange for a five-year Promissory Note payable to NCM for \$8.3 million that bears interest at 5% per annum and requires annual principal and interest payments, with the first of such payments due on December 26, 2014. See Note 16 to the consolidated financial statements for more information on the transaction.

We, at the discretion of the board of directors and subject to applicable law, anticipate paying regular quarterly dividends on our common stock. The amount, if any, of the dividends to be paid in the future will depend upon our then available cash, anticipated cash needs, overall financial condition, loan agreement restrictions as discussed below, future prospects for earnings and cash flows, as well as other relevant factors.

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We may from time to time, subject to compliance with our debt instruments, purchase our debt securities on the open market depending upon the availability and prices of such securities. Long-term debt consisted of the following as of December 31, 2012 and 2013 (in millions):

	December 31, 2012	December 31, 2013
Cinemark USA, Inc. term loan	\$ 700.0	\$ 693.0
Cinemark USA, Inc. 8.625% senior notes due 2019 <sup>(1)</sup>	461.5	—
Cinemark USA, Inc. 7.375% senior subordinated notes due 2021	200.0	200.0
Cinemark USA, Inc. 5.125% senior notes due 2022	400.0	400.0
Cinemark USA, Inc. 4.875% senior notes due 2023	—	530.0
Other <sup>(2)</sup>	2.5	9.8
<b>Total long-term debt</b>	<b>\$ 1,764.0</b>	<b>\$ 1,832.8</b>
Less current portion	9.5	9.9
<b>Long-term debt, less current portion</b>	<b>\$ 1,754.5</b>	<b>\$ 1,822.9</b>

<sup>(1)</sup> Includes the \$470.0 million aggregate principal amount of the 8.625% senior notes net of the original issue discount, which was \$8.5 million as of December 31, 2012. See Note 12 to our consolidated financial statements for discussion of the redemption of these notes during 2013.

<sup>(2)</sup> Balance as of December 31, 2013, includes approximately \$8.3 million of debt owed to NCM in relation to the recently-formed joint venture AC JV, LLC. See Note 16 to our consolidated financial statements for further discussion.

As of December 31, 2013, we had \$100.0 million in available borrowing capacity on our revolving credit line.

As of December 31, 2013, 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 and other obligations for each period indicated are summarized as follows:

Contractual Obligations	Payments Due by Period (in millions)				
	Total	Less Than One Year	1 - 3 Years	3 - 5 Years	After 5 Years
Long-term debt	\$1,832.8	\$ 9.9	\$ 16.8	\$ 16.8	\$1,789.3
Scheduled interest payments on long-term debt <sup>(1)</sup>	\$ 699.3	89.2	177.3	175.9	256.9
Operating lease obligations	\$2,065.1	254.9	503.5	425.1	881.6
Capital lease obligations	\$ 216.4	13.8	33.5	37.1	132.0
Scheduled interest payments on capital leases	\$ 110.2	17.4	30.3	23.7	38.8
Purchase and other commitments <sup>(2)</sup>	\$ 174.3	107.5	61.7	2.5	2.6
Current liability for uncertain tax positions <sup>(3)</sup>	\$ 1.0	1.0	—	—	—
<b>Total obligations</b>	<b>\$5,099.1</b>	<b>\$ 493.7</b>	<b>\$ 823.1</b>	<b>\$ 681.1</b>	<b>\$3,101.2</b>

<sup>(1)</sup> Amounts include scheduled interest payments on fixed rate and variable rate debt agreements. Estimates for the variable rate interest payments were based on interest rates in effect on December 31, 2013. The average interest rates in effect on our fixed rate and variable rate debt are 5.1% and 3.2%, respectively, as of December 31, 2013.

<sup>(2)</sup> Includes estimated capital expenditures associated with the construction of new theatres to which we were committed as of December 31, 2013.

<sup>(3)</sup> The contractual obligations table excludes the long-term portion of our liability for uncertain tax positions of \$19.2 million because we cannot make a reliable estimate of the timing of the related cash payments.

### Off-Balance Sheet Arrangements

Other than the operating leases and purchase and other commitments disclosed in the tables above, we do not have any off-balance sheet arrangements.

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### ***4.875% Senior Notes***

On May 24, 2013, Cinemark USA, Inc. issued \$530.0 million aggregate principal amount of 4.875% Senior Notes due 2023, at par value, referred to herein as the 4.875% Senior Notes. Proceeds, after payment of fees, were used to finance a redemption of the 8.625% Senior Notes due 2019 discussed below. Interest on the 4.875% Senior Notes is payable on June 1 and December 1 of each year, beginning December 1, 2013. The 4.875% Senior Notes mature on June 1, 2023.

The 4.875% Senior Notes are fully and unconditionally guaranteed on a joint and several senior unsecured basis by certain of Cinemark USA, Inc.'s subsidiaries that guarantee, assume or become liable with respect to any of Cinemark USA, Inc.'s or a guarantor's debt. The 4.875% Senior Notes and the guarantees are senior unsecured obligations and rank equally in right of payment with all of Cinemark USA, Inc.'s and its guarantor's existing and future senior unsecured debt and senior in right of payment to all of Cinemark USA, Inc.'s and its guarantor's existing and future senior subordinated debt. The 4.875% Senior Notes and the guarantees are effectively subordinated to all of Cinemark USA, Inc.'s and its guarantor's existing and future secured debt to the extent of the value of the assets securing such debt, including all borrowings under Cinemark USA, Inc.'s Amended Senior Secured Credit Facility. The 4.875% Senior Notes and the guarantees are structurally subordinated to all existing and future debt and other liabilities of Cinemark USA, Inc.'s subsidiaries that do not guarantee the 4.875% Senior Notes.

The indenture to the 4.875% Senior Notes contains covenants that limit, among other things, the ability of Cinemark USA, Inc. and certain of its subsidiaries to (1) make investments or other restricted payments, including paying dividends, making other distributions or repurchasing subordinated debt or equity, (2) incur additional indebtedness and issue preferred stock, (3) enter into transactions with affiliates, (4) enter new lines of business, (5) merge or consolidate with, or sell all or substantially all of its assets to, another person and (6) create liens. As of December 31, 2013, Cinemark USA, Inc. could have distributed up to approximately \$1,451.9 million to its parent company and sole stockholder, Cinemark Holdings, Inc., under the terms of the indenture to the 4.875% Senior Notes, subject to its available cash and other borrowing restrictions outlined in the indenture. Upon a change of control, as defined in the indenture governing the 4.875% Senior Notes, Cinemark USA, Inc. would be required to make an offer to repurchase the 4.875% Senior Notes at a price equal to 101% of the aggregate principal amount outstanding plus accrued and unpaid interest, if any, through the date of repurchase. The indenture governing the 4.875% Senior Notes allows Cinemark USA, Inc. to incur additional indebtedness if it satisfies the coverage ratio specified in the indenture, after giving effect to the incurrence of the additional indebtedness, and in certain other circumstances. The required minimum coverage ratio is 2 to 1 and our actual ratio as of December 31, 2013 was approximately 6.4 to 1.

Prior to June 1, 2018, Cinemark USA, Inc. may redeem all or any part of the 4.875% Senior Notes at its option at 100% of the principal amount plus a make-whole premium plus accrued and unpaid interest on the 4.875% Senior Notes to the date of redemption. After June 1, 2018, Cinemark USA, Inc. may redeem the 4.875% Senior Notes in whole or in part at redemption prices specified in the indenture. In addition, prior to June 1, 2016, Cinemark USA, Inc. may redeem up to 35% of the aggregate principal amount of the 4.875% Senior Notes from the net proceeds of certain equity offerings at the redemption price set forth in the indenture.

On June 26, 2013, Cinemark USA, Inc. and its guarantor subsidiaries filed a registration statement with the SEC pursuant to which Cinemark USA, Inc. offered to exchange the 4.875% Senior Notes for substantially identical notes registered under the Securities Act of 1933, as amended, or the Securities Act, that do not contain terms restricting the transfer thereof or providing for registration rights. The registration statement was declared effective by the SEC on July 9, 2013. On August 7, 2013, Cinemark USA, Inc. completed the exchange of registered 4.875% Senior Notes for all of the outstanding 4.875% Senior Notes.

### ***Amended Senior Secured Credit Facility***

On December 18, 2012, Cinemark USA, Inc. amended and restated its senior secured credit facility to include a seven year \$700.0 million term loan and a five year \$100.0 million revolving credit line, referred to

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herein as the Amended Senior Secured Credit Facility. The proceeds from the Amended Senior Secured Credit Facility, combined with a portion of the proceeds from the 5.125% Senior Notes discussed below, were used to refinance Cinemark USA, Inc.'s Former Senior Secured Credit Facility. The term loan under the Amended Senior Secured Credit Facility matures in December 2019. The revolving credit line, which was undrawn at closing and remained undrawn as of December 31, 2013, matures in December 2017. Quarterly principal payments in the amount of \$1.75 million are due on the term loan beginning March 2013 through September 2019 with the remaining principal of \$652.8 million due on December 18, 2019.

Interest on the term loan accrues 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 of 2.0% per annum, or (B) a "eurodollar rate" plus a margin of 3.0% per annum. Interest on the revolving credit line accrues, 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 1.00% to 1.75% per annum, or (B) a "eurodollar rate" plus a margin that ranges from 2.00% to 2.75% per annum. The margin of the revolving credit line is determined by the consolidated net senior secured leverage ratio as defined in the credit agreement.

Cinemark USA, Inc.'s obligations under the Amended Senior Secured Credit Facility are guaranteed by Cinemark Holdings, 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 certain of Cinemark USA, Inc.'s domestic subsidiaries and 65% of the voting stock of certain of its foreign subsidiaries.

The Amended Senior Secured Credit Facility contains usual and customary negative covenants for agreements 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 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, and repurchase stock; and make capital expenditures and investments. If Cinemark USA, Inc. has borrowings outstanding on the revolving credit line, it is required to satisfy a consolidated net senior secured leverage ratio covenant as determined in accordance with the Amended Senior Secured Credit Facility.

The dividend restriction contained in the Amended Senior Secured Credit Facility prevents the Company and any of its subsidiaries from paying a dividend or otherwise distributing cash to its stockholders unless (1) the Company is not in default, and the distribution would not cause Cinemark USA, Inc. to be in default, under the Amended Senior Secured Credit Facility; and (2) the aggregate amount of certain dividends, distributions, investments, redemptions and capital expenditures made since December 18, 2012, including dividends declared by the board of directors, 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 December 18, 2012, (b) Cinemark USA, Inc.'s consolidated EBITDA minus 1.75 times its consolidated interest expense, each as defined in the Amended Senior Secured Credit Facility, and (c) certain other defined amounts. As of December 31, 2013, Cinemark USA, Inc. could have distributed up to approximately \$1,570.1 million to its parent company and sole stockholder, Cinemark Holdings, Inc., under the terms of the Amended Senior Secured Credit Facility, subject to its available cash and other borrowing restrictions outlined in the agreement.

At December 31, 2013, there was \$693.0 million outstanding under the term loan and no borrowings outstanding under the revolving credit line. Cinemark USA, Inc. had \$100.0 million in available borrowing capacity on the revolving credit line. The average interest rate on outstanding term loan borrowings under the Amended Senior Secured Credit Facility at December 31, 2013 was approximately 4.0% per annum.

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### ***5.125% Senior Notes***

On December 18, 2012, Cinemark USA, Inc. issued \$400.0 million aggregate principal amount of 5.125% senior notes due 2022, at par value, referred to herein as the 5.125% Senior Notes. A portion of the proceeds were used to refinance a portion of the former senior secured credit facility and a portion of the proceeds were used to fund the purchase price for the Rave Acquisition (see Note 5) and for general corporate purposes. Interest on the 5.125% Senior Notes is payable on June 15 and December 15 of each year, beginning June 15, 2013. The senior notes mature on December 15, 2022.

The 5.125% Senior Notes are fully and unconditionally guaranteed on a joint and several senior unsecured basis by certain of Cinemark USA, Inc.'s subsidiaries that guarantee, assume or become liable with respect to any of Cinemark USA, Inc.'s or a guarantor's debt. The 5.125% Senior Notes and the guarantees are senior unsecured obligations and rank equally in right of payment with all of Cinemark USA, Inc.'s and its guarantor's existing and future senior unsecured debt and senior in right of payment to all of Cinemark USA, Inc.'s and its guarantor's existing and future subordinated debt. The 5.125% Senior Notes and the guarantees are effectively subordinated to all of Cinemark USA, Inc.'s and its guarantor's existing and future secured debt to the extent of the value of the assets securing such debt, including all borrowings under Cinemark USA, Inc.'s amended senior secured credit facility. The 5.125% Senior Notes and the guarantees are structurally subordinated to all existing and future debt and other liabilities of Cinemark USA, Inc.'s subsidiaries that do not guarantee the senior notes.

The indenture to the 5.125% Senior Notes contains covenants that limit, among other things, the ability of Cinemark USA, Inc. and certain of its subsidiaries to (1) make investments or other restricted payments, including paying dividends, making other distributions or repurchasing subordinated debt or equity, (2) incur additional indebtedness and issue preferred stock, (3) enter into transactions with affiliates, (4) enter new lines of business, (5) merge or consolidate with, or sell all or substantially all of its assets to, another person and (6) create liens. As of December 31, 2013, Cinemark USA, Inc. could have distributed up to approximately \$1,454.1 million to its parent company and sole stockholder, Cinemark Holdings, Inc., under the terms of the indenture to the 5.125% Senior Notes, subject to its available cash and other borrowing restrictions outlined in the indenture. Upon a change of control of Cinemark Holdings, Inc. or Cinemark USA, Inc., Cinemark USA, Inc. would be required to make an offer to repurchase the 5.125% Senior Notes at a price equal to 101% of the aggregate principal amount outstanding plus accrued and unpaid interest, if any, through the date of repurchase. The indenture governing the 5.125% Senior Notes allows Cinemark USA, Inc. to incur additional indebtedness if it satisfies the coverage ratio specified in the indenture, after giving effect to the incurrence of the additional indebtedness, and in certain other circumstances. The required minimum coverage ratio is 2 to 1 and our actual ratio as of December 31, 2013 was 6.6 to 1.

Prior to December 15, 2017, Cinemark USA, Inc. may redeem all or any part of the 5.125% Senior Notes at its option at 100% of the principal amount plus a make-whole premium. After December 15, 2017, Cinemark USA, Inc. may redeem the 5.125% Senior Notes in whole or in part at redemption prices described in the 5.125% Senior Notes. In addition, Cinemark USA, Inc. may redeem up to 35% of the aggregate principal amount of the 5.125% Senior Notes from the net proceeds of certain equity offerings at the redemption price set forth in the senior notes.

On April 16, 2013, Cinemark USA, Inc. and its guarantor subsidiaries filed a registration statement with the SEC, pursuant to which Cinemark USA, Inc. offered to exchange the 5.125% Senior Notes for substantially identical notes registered under the Securities Act. The registration statement was declared effective by the SEC on April 25, 2013. On May 23, 2013 Cinemark USA, Inc. completed the exchange of registered 5.125% Senior Notes for all of the outstanding 5.125% Senior Notes.

### ***7.375% Senior Subordinated Notes***

On June 3, 2011, Cinemark USA, Inc. issued \$200.0 million aggregate principal amount of 7.375% senior subordinated notes due 2021, at par value, referred to herein as the Senior Subordinated Notes. The proceeds,

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after payment of fees, were primarily used to fund the prepayment of the remaining \$157.2 million of Cinemark USA, Inc.'s unextended portion of term loan debt under its former senior secured credit facility. Interest on the Senior Subordinated Notes is payable on June 15 and December 15 of each year. The Senior Subordinated Notes mature on June 15, 2021.

The Senior Subordinated Notes are fully and unconditionally guaranteed on a joint and several senior subordinated unsecured basis by certain of Cinemark USA, Inc.'s subsidiaries that guarantee, assume or become liable with respect to any of Cinemark USA, Inc.'s or a guarantor's other debt. The Senior Subordinated Notes and the guarantees are senior subordinated unsecured obligations and rank equally in right of payment with all of Cinemark USA, Inc.'s and a guarantor's future senior subordinated indebtedness; are subordinate in right of payment to all of Cinemark USA, Inc.'s and a guarantor's existing and future senior indebtedness, whether secured or unsecured, including Cinemark USA, Inc.'s obligations under its Amended Senior Secured Credit Facility, its 8.625% Senior Notes and its 5.125% Senior Notes; and structurally subordinate to all existing and future indebtedness and other liabilities of Cinemark USA, Inc.'s non-guarantor subsidiaries.

The indenture to the Senior Subordinated Notes contains covenants that limit, among other things, the ability of Cinemark USA, Inc. and certain of its subsidiaries to (1) make investments or other restricted payments, including paying dividends, making other distributions or repurchasing subordinated debt or equity, (2) incur additional indebtedness and issue preferred stock, (3) enter into transactions with affiliates, (4) enter new lines of business, (5) merge or consolidate with, or sell all or substantially all of its assets to, another person and (6) create liens. As of December 31, 2013, Cinemark USA, Inc. could have distributed up to approximately \$1,445.5 million to its parent company and sole stockholder, Cinemark Holdings, Inc., under the terms of the indenture to the 7.375% Senior Notes, subject to its available cash and other borrowing restrictions outlined in the indenture. Upon a change of control, as defined in the indenture, Cinemark USA, Inc. would be required to make an offer to repurchase the senior subordinated notes at a price equal to 101% of the aggregate principal amount outstanding plus accrued and unpaid interest, if any, through the date of repurchase. The indenture governing the Senior Subordinated Notes allows Cinemark USA, Inc. to incur additional indebtedness if it satisfies the coverage ratio specified in the indenture, after giving effect to the incurrence of the additional indebtedness, and in certain other circumstances. The required minimum coverage ratio is 2 to 1, and our actual ratio as of December 31, 2013 was 6.4 to 1.

Prior to June 15, 2016, Cinemark USA, Inc. may redeem all or any part of the Senior Subordinated Notes at its option at 100% of the principal amount plus a make-whole premium plus accrued and unpaid interest on the senior subordinated notes to the date of redemption. After June 15, 2016, Cinemark USA, Inc. may redeem the Senior Subordinated Notes in whole or in part at redemption prices specified in the indenture. In addition, prior to June 15, 2014, Cinemark USA, Inc. may redeem up to 35% of the aggregate principal amount of the Senior Subordinated Notes from the net proceeds of certain equity offerings at the redemption price set forth in the indenture.

Cinemark USA, Inc. and its guarantor subsidiaries filed a registration statement with the SEC on July 27, 2011 pursuant to which Cinemark USA, Inc. offered to exchange the Senior Subordinated Notes for substantially similar registered Senior Subordinated Notes. The registration statement became effective August 4, 2011, and approximately \$199.5 million of the notes were exchanged on September 7, 2011. The registered Senior Subordinated Notes, issued in the exchange, do not have transfer restrictions. Approximately \$0.5 million of the notes were not exchanged as of December 31, 2013.

### ***8.625% Senior Notes***

On June 29, 2009, Cinemark USA, Inc. issued \$470.0 million aggregate principal amount of 8.625% senior notes due 2019, referred to herein as the 8.625% Senior Notes, with an original issue discount of \$11.5 million, resulting in proceeds of approximately \$458.5 million. The proceeds were primarily used to fund the repurchase of the then remaining outstanding \$419.4 million aggregate principal amount at maturity of Cinemark, Inc.'s 9.75% senior discount notes.

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On June 24, 2013, Cinemark USA, Inc. redeemed its 8.625% Senior Notes at 112.035% of the principal amount, inclusive of a make-whole premium, plus accrued and unpaid interest, utilizing the proceeds from the issuance of the 4.875% Senior Notes discussed above. As a result of the redemption, we wrote-off approximately \$8.0 million in unamortized bond discount and \$7.6 million in unamortized debt issue costs, paid a make-whole premium of approximately \$56.6 million and paid other fees of \$0.1 million, all of which are reflected in loss on early retirement of debt during the year ended December 31, 2013.

### **Covenant Compliance**

As of December 31, 2013, we believe we were in full compliance with all agreements, including all related covenants, governing our outstanding debt.

### **Ratings**

We are rated by nationally recognized rating agencies. The rating scales and methodologies used to derive individual ratings may vary from agency to agency. Credit ratings are issued by credit rating agencies based on evaluations of our ability to pay back our outstanding debt and the likelihood that we would default on that debt prior to its maturity. The credit ratings issued by the credit rating agencies represent the credit rating agency's evaluation of both qualitative and quantitative information for our company. The credit ratings that are issued are based on the credit rating agency's judgment and experience in determining what information should be considered in giving a rating to a particular company. Ratings are always subject to change and there can be no assurance that our current ratings will continue for any given period of time. A downgrade of our debt ratings, depending on the extent, could increase the cost to borrow funds. Below are our latest credit ratings, which were published by the respective agency during May 2013.

<u>Category</u>	<u>Moody's</u>	<u>Standard and Poor's</u>
Cinemark USA, Inc. Amended Senior Secured Credit Facility	Ba1	BB+
Cinemark USA, Inc. 4.875% Senior Notes	B2	BB-
Cinemark USA, Inc. 5.125% Senior Notes	B2	BB-
Cinemark USA, Inc. 7.375% Senior Subordinated Notes	B3	B

With respect to the ratings issued by Moody's as noted above, Moody's defines these ratings as follows:

- 'Ba1' — Obligations rated Ba are judged to be speculative and are subject to substantial credit risk. The Prime-1 rating indicates the issuer has a superior ability to repay short-term debt.
- 'B2' — Obligations rated B are considered speculative and are subject to high credit risk. The Prime-2 portion of the rating indicates issuer has a strong ability to repay short-term debt.
- 'B3' — Obligations rated B are considered speculative and are subject to high credit risk. The Prime-3 portion of the rating indicates issuer has an acceptable ability to repay short-term debt.

With respect to the ratings issued by Standard and Poor's as noted above, Standard and Poor's defines these ratings as follows:

- 'B' — More vulnerable to adverse business, financial and economic conditions but currently has the capacity to meet financial commitments.
- 'BB+' — Considered highest speculative grade by market participants.
- 'BB-' — Less vulnerable in the near-term but faces major ongoing uncertainties to adverse business, financial and economic conditions.

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### **New Accounting Pronouncements**

During February 2013, the FASB issued ASU 2013-02, *Comprehensive Income (Topic 220): Reporting of Amounts Reclassified Out of Accumulated Other Comprehensive Income* (“ASU 2013-02”). ASU 2013-02 amended existing guidance by requiring additional disclosure either on the face of the income statement or in the notes to the financial statements of significant amounts reclassified out of accumulated other comprehensive income. ASU 2013-02 requires prospective adoption and affects financial statement disclosures only. For public entities, the new disclosure requirements are effective for fiscal years, and interim periods within those years, beginning after December 15, 2012. The adoption of ASU 2013-02 did not have a significant impact on our consolidated financial statements. See Note 13 for changes in accumulated other comprehensive loss, including amounts reclassified out of accumulated other comprehensive loss, for the years ended December 31, 2011, 2012 and 2013.

### **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 July, and during the holiday season, extending from early 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 7A. Quantitative and Qualitative Disclosures About Market Risk**

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

#### ***Interest Rate Risk***

We are currently party to variable rate debt facilities. An increase or decrease in interest rates would affect our interest expense relating to our variable rate debt facilities. At December 31, 2013, there was an aggregate of approximately \$243.0 million of variable rate debt outstanding under these facilities, which excludes \$450.0 million of Cinemark USA, Inc.’s term loan debt that is hedged with the Company’s interest rate swap agreements as discussed below. Based on the interest rates in effect on the variable rate debt outstanding at December 31, 2013, a 100 basis point increase in market interest rates would increase our annual interest expense by approximately \$2.4 million.

All of our current interest rate swap agreements qualify for cash flow hedge accounting. The fair values of the interest rate swaps are recorded on our 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 accumulated other comprehensive loss and the ineffective portion reported in earnings.

Below is a summary of our interest rate swap agreements as of December 31, 2013:

<u>Nominal Amount (in millions)</u>	<u>Effective Date</u>	<u>Pay Rate</u>	<u>Receive Rate</u>	<u>Expiration Date</u>
\$175.0	December 2010	1.3975%	1-month LIBOR	September 2015
\$175.0	December 2010	1.4000%	1-month LIBOR	September 2015
\$100.0	November 2011	1.7150%	1-month LIBOR	April 2016
\$450.0				

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The table below provides information about our fixed rate and variable rate long-term debt agreements as of December 31, 2013:

	Expected Maturity for the Twelve-Month Periods Ending December 31, (in millions)							Fair Value	Average Interest Rate
	2014	2015	2016	2017	2018	Thereafter	Total		
Fixed rate <sup>(1)</sup>	\$2.9	\$1.4	\$1.4	\$1.4	\$1.4	\$1,581.3	\$1,589.8	\$1,572.3	5.1%
Variable rate	7.0	7.0	7.0	7.0	7.0	208.0	243.0	243.6	3.2%
Total debt	<u>\$9.9</u>	<u>\$8.4</u>	<u>\$8.4</u>	<u>\$8.4</u>	<u>\$8.4</u>	<u>\$1,789.3</u>	<u>\$1,832.8</u>	<u>\$1,815.9</u>	

<sup>(1)</sup> Includes \$450.0 million of the Cinemark USA, Inc. term loan, which represents the debt currently hedged with the Company's interest rate swap agreements.

### 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 interior finish items and other operating supplies used by our international subsidiaries. A majority of the revenues and operating expenses of our international subsidiaries are transacted in the country's local currency. U.S. GAAP requires 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, U.S. GAAP requires that the U.S. dollar be used as the functional currency for the subsidiary. Currency fluctuations in the countries in which we operate result in us reporting exchange gains (losses) or foreign currency translation adjustments. Based upon our equity ownership in our international subsidiaries as of December 31, 2013, 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 aggregate net book value of our investments in our international subsidiaries by approximately \$50 million and would decrease the aggregate net income of our international subsidiaries for the years ended December 31, 2011, 2012 and 2013 by approximately \$9 million, \$8 million and \$7 million, respectively.

### Item 8. Financial Statements and Supplementary Data

The financial statements and supplementary data are listed on the Index on page F-1 of this Form 10-K. Such financial statements and supplementary data are included herein beginning on page F-3.

### Item 9. Changes in and Disagreements With Accountants on Accounting and Financial Disclosure

None.

### Item 9A. Controls and Procedures

#### Evaluation of the Effectiveness of Disclosure Controls and Procedures

As of December 31, 2013, under the supervision and with the participation of our principal executive officer and principal financial officer, we carried out an evaluation required by the Exchange Act of the effectiveness of the design and operation of our disclosure controls and procedures, as defined in Rule 13a-15(e) of the Exchange Act. Based on this evaluation, our principal executive officer and principal financial officer concluded that, as of December 31, 2013, our disclosure controls and procedures were effective to provide reasonable assurance that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in the SEC's rules and forms and were effective to provide reasonable assurance that such information is accumulated and communicated to our management, including our principal executive officer and principal financial officer, as appropriate to allow timely decisions regarding required disclosures.

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### *Changes in Internal Control Over Financial Reporting*

There have been no changes in our internal control over financial reporting identified in connection with the evaluation required by paragraph (d) of Exchange Act Rules 13a-15 that occurred during the quarter ended December 31, 2013 that materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

### *Management's Report on Internal Control over Financial Reporting*

Management is responsible for establishing and maintaining adequate internal control over financial reporting, as defined in Rule 13a-15(f) of the Exchange Act. The Company's internal control framework and processes are designed to provide reasonable assurance to management and the board of directors regarding the reliability of financial reporting and the preparation of the Company's consolidated financial statements in accordance with the accounting principles generally accepted in the U.S. Management has assessed the effectiveness of our internal control over financial reporting as of December 31, 2013 based on criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission, or COSO, in *Internal Control—Integrated Framework (1992)*. As a result of this assessment, management concluded that, as of December 31, 2013, our internal control over financial reporting was effective.

Certifications of our Chief Executive Officer and our Chief Financial Officer, which are required in accordance with Rule 13a-14 of the Exchange Act, are attached as exhibits to this Annual Report. This "Controls and Procedures" section includes the information concerning the controls evaluation referred to in the certifications, and it should be read in conjunction with the certifications for a more complete understanding of the topics presented.

The Company's independent registered public accounting firm, Deloitte & Touche LLP, with direct access to the Company's board of directors through its Audit Committee, have audited the consolidated financial statements prepared by the Company. Their report on the consolidated financial statements is included in Part II, Item 8. Financial Statements and Supplementary Data. Deloitte & Touche LLP has issued an attestation report on the Company's internal control over financial reporting. Deloitte & Touche LLP's report on the Company's internal control over financial reporting is included herein.

### *Limitations on Controls*

Management does not expect that our disclosure controls and procedures or our internal control over financial reporting will prevent or detect all errors or fraud. Any control system, no matter how well designed and operated, is based upon certain assumptions and can provide only reasonable, not absolute, assurance that its objectives will be met. Further, no evaluation of controls can provide absolute assurance that misstatements due to error or fraud will not occur or that all control issues and instances of fraud, if any, within the Company have been detected.

## **Item 9B. Other Information**

None.

**REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

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

We have audited the internal control over financial reporting of Cinemark Holdings, Inc. and subsidiaries (the “Company”) as of December 31, 2013, based on criteria established in *Internal Control — Integrated Framework (1992)* issued by the Committee of Sponsoring Organizations of the Treadway Commission. The Company’s management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying management’s report on internal control over financial reporting. Our responsibility is to express an opinion on the Company’s internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company’s internal control over financial reporting is a process designed by, or under the supervision of, the company’s principal executive and principal financial officers, or persons performing similar functions, and effected by the company’s board of directors, management, and other personnel 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. A company’s internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Because of the inherent limitations of internal control over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may not be prevented or detected on a timely basis. Also, projections of any evaluation of the effectiveness of the internal control over financial reporting to future periods are subject to the risk that the controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2013, based on the criteria established in *Internal Control — Integrated Framework (1992)* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated financial statements and financial statement schedule as of and for the year ended December 31, 2013 of the Company and our report dated February 28, 2014 expressed an unqualified opinion on those financial statements and financial statement schedule.

/s/Deloitte & Touche LLP

Dallas, Texas  
February 28, 2014

**PART III**

**Item 10. Directors, Executive Officers and Corporate Governance**

Incorporated by reference to the Company's proxy statement for its annual stockholders meeting (under the headings "Election of Directors", "Section 16(a) Beneficial Ownership Reporting Compliance", "Corporate Governance" and "Executive Officers") to be held on May 22, 2014 and to be filed with the SEC within 120 days after December 31, 2013.

**Item 11. Executive Compensation**

Incorporated by reference to the Company's proxy statement for its annual stockholders meeting (under the heading "Executive Compensation") to be held on May 22, 2014 and to be filed with the SEC within 120 days after December 31, 2013.

**Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters**

Incorporated by reference to the Company's proxy statement for its annual stockholders meeting (under the headings "Security Ownership of Certain Beneficial Owners and Management") to be held on May 22, 2014 and to be filed with the SEC within 120 days after December 31, 2013.

**Item 13. Certain Relationships and Related Transactions, and Director Independence**

Incorporated by reference to the Company's proxy statement for its annual stockholders meeting (under the heading "Certain Relationships and Related Party Transactions" and "Corporate Governance") to be held on May 22, 2014 and to be filed with the SEC within 120 days after December 31, 2013.

**Item 14. Principal Accountant Fees and Services**

Incorporated by reference to the Company's proxy statement for its annual stockholders meeting (under the heading "Board Committees — Audit Committee — Fees Paid to Independent Registered Public Accounting Firm") to be held on May 22, 2014 and to be filed with the SEC within 120 days after December 31, 2013.

**PART IV**

**Item 15. Exhibits, Financial Statement Schedules**

(a) Documents Filed as Part of this Report

1. The financial statement schedules and related data listed in the accompanying Index beginning on page F-1 are filed as a part of this report.
2. The exhibits listed in the accompanying Index beginning on page E-1 are filed as a part of this report.

(b) Exhibits

See the accompanying Index beginning on page E-1.

(c) Financial Statement Schedules

Schedule I — Condensed Financial Information of Registrant beginning on page S-1.

All schedules not identified above have been omitted because they are not required, are not applicable or the information is included in the consolidated financial statements or notes contained in this report.

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**SIGNATURES**

Pursuant to the requirements of Section 13 or 15(d) of the Exchange Act, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Dated: February 28, 2014

CINEMARK HOLDINGS, INC.

BY: /s/ Tim Warner  
Tim Warner  
Chief Executive Officer

BY: /s/ Robert Copple  
Robert Copple  
Chief Financial Officer and  
Principal Accounting Officer

**POWER OF ATTORNEY**

Each person whose signature appears below hereby severally constitutes and appoints Tim Warner and Robert Copple his true and lawful attorney-in-fact and agent, each with the power of substitution and resubstitution, for him in any and all capacities, to sign any and all amendments to this Annual Report on Form 10-K and to file the same, with accompanying exhibits and other related documents, with the Securities and Exchange Commission, and ratify and confirm all that said attorney-in-fact and agent, or his substitute or substitutes, may lawfully do or cause to be done by virtue of said appointment.

Pursuant to the requirements of the Exchange Act, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

<u>Name</u>	<u>Title</u>	<u>Date</u>
<u>/s/ Lee Roy Mitchell</u> Lee Roy Mitchell	Chairman of the Board of Directors and Director	February 28, 2014
<u>/s/ Tim Warner</u> Tim Warner	Chief Executive Officer (principal executive officer)	February 28, 2014
<u>/s/ Robert Copple</u> Robert Copple	Treasurer and Chief Financial Officer (principal financial and accounting officer)	February 28, 2014
<u>/s/ Benjamin D. Chereskin</u> Benjamin D. Chereskin	Director	February 28, 2014
<u>/s/ Vahe A. Dombalagian</u> Vahe A. Dombalagian	Director	February 28, 2014
<u>/s/ Peter R. Ezersky</u> Peter R. Ezersky	Director	February 28, 2014

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<u>Name</u>	<u>Title</u>	<u>Date</u>
<u>/s/ Enrique F. Senior</u> Enrique F. Senior	Director	February 28, 2014
<u>/s/ Raymond W. Syufy</u> Raymond W. Syufy	Director	February 28, 2014
<u>/s/ Carlos M. Sepulveda</u> Carlos M. Sepulveda	Director	February 28, 2014
<u>/s/ Roger T. Staubach</u> Roger T. Staubach	Director	February 28, 2014
<u>/s/ Donald G. Soderquist</u> Donald G. Soderquist	Director	February 28, 2014
<u>/s/ Steven Rosenberg</u> Steven Rosenberg	Director	February 28, 2014

**SUPPLEMENTAL INFORMATION TO BE FURNISHED WITH REPORTS FILED PURSUANT TO  
SECTION 15(d) OF THE ACT BY REGISTRANTS WHICH HAVE NOT REGISTERED  
SECURITIES PURSUANT TO SECTION 12 OF THE ACT.**

No annual report or proxy material has been sent to our stockholders. An annual report and proxy material may be sent to our stockholders subsequent to the filing of this Form 10-K. We shall furnish to the SEC copies of any annual report or proxy material that is sent to our stockholders.

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

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**REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

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

We have audited the accompanying consolidated balance sheets of Cinemark Holdings, Inc. and subsidiaries (the "Company") as of December 31, 2012 and 2013, and the related consolidated statements of income, comprehensive income, equity, and cash flows for each of the three years in the period ended December 31, 2013. Our audits also included the financial statement schedule listed in the Index at Item 15. These financial statements and financial statement schedule are the responsibility of the Company's management. Our responsibility is to express an opinion on the financial statements and financial statement schedule based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such consolidated financial statements present fairly, in all material respects, the financial position of Cinemark Holdings, Inc. and subsidiaries as of December 31, 2012 and 2013, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2013, in conformity with accounting principles generally accepted in the United States of America. Also, in our opinion, such financial statement schedule, when considered in relation to the basic consolidated financial statements taken as a whole, presents fairly, in all material respects, the information set forth therein.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the Company's internal control over financial reporting as of December 31, 2013, based on the criteria established in *Internal Control — Integrated Framework (1992)* issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated February 28, 2014 expressed an unqualified opinion on the Company's internal control over financial reporting.

/s/Deloitte & Touche LLP

Dallas, Texas  
February 28, 2014

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**CINEMARK HOLDINGS, INC. AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS**  
(In thousands, except share data)

	December 31, 2012	December 31, 2013
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	\$ 742,664	\$ 599,929
Inventories	12,571	13,735
Accounts receivable	57,122	81,519
Current income tax receivable	7,129	669
Current deferred tax asset	14,397	18,807
Prepaid expenses and other	11,278	14,940
Total current assets	845,161	729,599
<b>Theatre properties and equipment</b>		
Land	102,490	95,411
Buildings	398,151	414,838
Property under capital lease	244,022	299,322
Theatre furniture and equipment	748,756	806,601
Leasehold interests and improvements	790,710	786,624
Total	2,284,129	2,402,796
Less accumulated depreciation and amortization	979,171	975,606
Theatre properties and equipment, net	1,304,958	1,427,190
<b>Other assets</b>		
Goodwill	1,150,811	1,288,090
Intangible assets — net	330,741	356,144
Investment in NCM	78,123	178,853
Investments in and advances to affiliates	38,201	59,657
Long-term deferred tax asset	13,187	330
Deferred charges and other assets — net	102,044	104,300
Total other assets	1,713,107	1,987,374
<b>Total assets</b>	<b>\$ 3,863,226</b>	<b>\$ 4,144,163</b>
<b>Liabilities and equity</b>		
<b>Current liabilities</b>		
Current portion of long-term debt	\$ 9,546	\$ 9,856
Current portion of capital lease obligations	11,064	13,847
Current income tax payable	8,891	22,081
Current deferred tax liability	—	71
Current liability for uncertain tax positions	14,900	963
Accounts payable	70,833	93,697
Accrued film rentals	65,059	79,417
Accrued payroll	39,443	41,639
Accrued other current liabilities	118,468	134,141
Total current liabilities	338,204	395,712
<b>Long-term liabilities</b>		
Long-term debt, less current portion	1,754,464	1,822,944
Capital lease obligations, less current portion	139,107	202,509
Long-term deferred tax liability	177,960	148,746
Long-term liability for uncertain tax positions	19,575	19,167
Deferred lease expenses	38,297	43,552
Deferred revenue — NCM	241,305	334,429
Other long-term liabilities	59,330	74,687
Total long-term liabilities	2,430,038	2,646,034
<b>Commitments and contingencies (see Note 21)</b>		
<b>Equity</b>		
<b>Cinemark Holdings, Inc.'s stockholders' equity</b>		
Common stock, \$0.001 par value: 300,000,000 shares authorized; 118,502,752 shares issued and 114,949,667 shares outstanding at December 31, 2012 and 119,077,473 shares issued and 115,382,538 shares outstanding at December 31, 2013	118	119
Additional paid-in-capital	1,064,016	1,079,304
Treasury stock, 3,553,085 and 3,694,935 common shares at cost at December 31, 2012 and December 31, 2013, respectively	(48,482)	(51,946)
Retained earnings	106,111	147,764
Accumulated other comprehensive loss	(37,698)	(81,819)
Total Cinemark Holdings, Inc.'s stockholders' equity	1,084,065	1,093,422
Noncontrolling interests	10,919	8,995
Total equity	1,094,984	1,102,417
<b>Total liabilities and equity</b>	<b>\$ 3,863,226</b>	<b>\$ 4,144,163</b>

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

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**CINEMARK HOLDINGS, INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF INCOME**  
**YEARS ENDED DECEMBER 31, 2011, 2012 AND 2013**  
(In thousands, except per share data)

	<u>2011</u>	<u>2012</u>	<u>2013</u>
<b>Revenues</b>			
Admissions	\$ 1,471,627	\$ 1,580,401	\$ 1,706,145
Concession	696,754	771,405	845,168
Other	111,232	121,725	131,581
Total revenues	<u>2,279,613</u>	<u>2,473,531</u>	<u>2,682,894</u>
<b>Cost of operations</b>			
Film rentals and advertising	798,606	845,107	919,511
Concession supplies	112,122	123,471	135,715
Salaries and wages	226,475	247,468	269,353
Facility lease expense	276,278	281,615	307,851
Utilities and other	259,703	280,670	305,703
General and administrative expenses	127,621	148,624	165,351
Depreciation and amortization	154,449	147,675	163,970
Impairment of long-lived assets	7,033	3,031	3,794
(Gain) loss on sale of assets and other	8,792	12,168	(3,845)
Total cost of operations	<u>1,971,079</u>	<u>2,089,829</u>	<u>2,267,403</u>
<b>Operating income</b>	308,534	383,702	415,491
<b>Other income (expense)</b>			
Interest expense	(123,102)	(123,665)	(124,714)
Interest income	8,108	6,373	3,622
Foreign currency exchange gain (loss)	(219)	2,086	(1,616)
Loss on early retirement of debt	(4,945)	(5,599)	(72,302)
Distributions from NCM	24,161	20,812	20,701
Dividend income	54	—	—
Loss on marketable securities — RealD	(12,610)	—	—
Equity in income of affiliates	5,651	13,109	22,682
Total other expense	<u>(102,902)</u>	<u>(86,884)</u>	<u>(151,627)</u>
<b>Income before income taxes</b>	205,632	296,818	263,864
Income taxes	73,050	125,398	113,316
<b>Net income</b>	132,582	171,420	150,548
Less: Net income attributable to noncontrolling interests	2,025	2,471	2,078
<b>Net income attributable to Cinemark Holdings, Inc.</b>	<u>\$ 130,557</u>	<u>\$ 168,949</u>	<u>\$ 148,470</u>
<b>Weighted average shares outstanding</b>			
Basic	<u>112,736</u>	<u>113,216</u>	<u>113,896</u>
Diluted	<u>113,224</u>	<u>113,824</u>	<u>114,396</u>
<b>Earnings per share attributable to Cinemark Holdings, Inc.'s common stockholders:</b>			
Basic	<u>\$ 1.15</u>	<u>\$ 1.47</u>	<u>\$ 1.28</u>
Diluted	<u>\$ 1.14</u>	<u>\$ 1.47</u>	<u>\$ 1.28</u>

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

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**CINEMARK HOLDINGS, INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**  
**YEARS ENDED DECEMBER 31, 2011, 2012 AND 2013**  
**(In thousands)**

	<u>2011</u>	<u>2012</u>	<u>2013</u>
<b>Net income</b>	\$132,582	\$171,420	\$150,548
<b>Other comprehensive income (loss), net of tax</b>			
Unrealized gain (loss) due to fair value adjustments on interest rate swap agreements, net of taxes of \$3,786, \$557 and \$1,865	(2,830)	1,020	3,151
Unrealized gain (loss) due to fair value adjustments on available-for-sale securities, net of taxes of \$8,128, \$1,499 and \$1,223	(13,566)	2,499	(2,041)
Amortization of accumulated other comprehensive loss on terminated swap agreement	4,236	2,470	—
Other comprehensive income in equity method investments	—	—	2,386
Foreign currency translation adjustments	(46,280)	(20,232)	(47,699)
Total other comprehensive loss, net of tax	(58,440)	(14,243)	(44,203)
Total comprehensive income, net of tax	74,142	157,177	106,345
Comprehensive income attributable to noncontrolling interests	(1,803)	(2,244)	(1,996)
<b>Comprehensive income attributable to Cinemark Holdings, Inc.</b>	<u>\$ 72,339</u>	<u>\$154,933</u>	<u>\$104,349</u>

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

**CINEMARK HOLDINGS, INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF EQUITY**  
**YEARS ENDED DECEMBER 31, 2011, 2012 AND 2013**  
(In thousands)

	Common Stock		Treasury Stock		Additional Paid-in- Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Total Cinemark Holdings, Inc.'s Stockholders' Equity	Noncontrolling Interests	Total Equity
	Shares Issued	Amount	Shares Acquired	Amount						
Balance at January 1, 2011	117,111	\$ 117	(3,360)	\$(44,725)	\$1,037,586	\$ 388	\$ 28,181	\$ 1,021,547	\$ 11,605	\$1,033,152
Issuance of restricted stock, net of restricted stock forfeitures	424	1	—	—	—	—	—	1	—	1
Exercise of stock options	58	—	—	—	444	—	—	444	—	444
Restricted stock forfeitures and stock withholdings related to restricted stock that vested during the year ended December 31, 2011	—	—	(32)	(494)	—	—	—	(494)	—	(494)
Share based awards compensation expense	—	—	—	—	9,692	—	—	9,692	—	9,692
Tax benefit related to stock option exercises and share based award vestings	—	—	—	—	917	—	—	917	—	917
Dividends paid to stockholders, \$0.84 per share	—	—	—	—	—	(95,838)	—	(95,838)	—	(95,838)
Dividends accrued on unvested restricted stock unit awards	—	—	—	—	—	(684)	—	(684)	—	(684)
Dividends paid to noncontrolling interests	—	—	—	—	—	—	—	—	(2,120)	(2,120)
Purchase of noncontrolling interests' share of Chile subsidiary	—	—	—	—	(1,402)	—	485	(917)	(526)	(1,443)
Write-off of accumulated other comprehensive loss related to cash flow hedges, net of taxes of \$723	—	—	—	—	—	—	(2,037)	(2,037)	—	(2,037)
Reclassification of cumulative unrealized holding losses on marketable securities to earnings due to other-than-temporary impairment, net of taxes of \$4,703	—	—	—	—	—	—	7,907	7,907	—	7,907
Net income	—	—	—	—	—	130,557	—	130,557	2,025	132,582
Other comprehensive loss	—	—	—	—	—	—	(58,218)	(58,218)	(222)	(58,440)
Balance at December 31, 2011	117,593	\$ 118	(3,392)	\$(45,219)	\$1,047,237	\$ 34,423	\$ (23,682)	\$ 1,012,877	\$ 10,762	\$1,023,639
Issuance of restricted stock, net of restricted stock forfeitures	654	—	—	—	—	—	—	—	—	—
Issuance of stock upon vesting of restricted stock units	196	—	—	—	—	—	—	—	—	—
Exercise of stock options	60	—	—	—	459	—	—	459	—	459
Restricted stock forfeitures and stock withholdings related to restricted stock and restricted stock units that vested during the year ended December 31, 2012	—	—	(161)	(3,263)	—	—	—	(3,263)	—	(3,263)
Share based awards compensation expense	—	—	—	—	15,070	—	—	15,070	—	15,070
Tax benefit related to stock option exercises and share based award vestings	—	—	—	—	1,250	—	—	1,250	—	1,250
Dividends paid to stockholders, \$0.84 per share	—	—	—	—	—	(96,367)	—	(96,367)	—	(96,367)
Dividends accrued on unvested restricted stock unit awards	—	—	—	—	—	(894)	—	(894)	—	(894)
Dividends paid to noncontrolling interests	—	—	—	—	—	—	—	—	(2,087)	(2,087)
Net income	—	—	—	—	—	168,949	—	168,949	2,471	171,420
Other comprehensive loss	—	—	—	—	—	—	(14,016)	(14,016)	(227)	(14,243)
Balance at December 31, 2012	118,503	\$ 118	(3,553)	\$(48,482)	\$1,064,016	\$ 106,111	\$ (37,698)	\$ 1,084,065	\$ 10,919	\$1,094,984
Issuance of restricted stock, net of restricted stock forfeitures	284	1	—	—	—	—	—	1	—	1
Issuance of stock upon vesting of restricted stock units	284	—	—	—	—	—	—	—	—	—
Exercise of stock options	6	—	—	—	57	—	—	57	—	57
Restricted stock forfeitures and stock withholdings related to restricted stock and restricted stock units that vested during the year ended December 31, 2013	—	—	(142)	(3,464)	—	—	—	(3,464)	—	(3,464)
Share based awards compensation expense	—	—	—	—	16,886	—	—	16,886	—	16,886
Tax benefit related to stock option exercises and share based award vestings	—	—	—	—	2,963	—	—	2,963	—	2,963
Purchase of noncontrolling interests' share of Brazilian subsidiary	—	—	—	—	(4,618)	—	—	(4,618)	(1,003)	(5,621)
Dividends paid to stockholders, \$0.92 per share	—	—	—	—	—	(106,045)	—	(106,045)	—	(106,045)
Dividends accrued on unvested restricted stock unit awards	—	—	—	—	—	(772)	—	(772)	—	(772)
Dividends paid to noncontrolling interests	—	—	—	—	—	—	—	—	(2,917)	(2,917)
Net income	—	—	—	—	—	148,470	—	148,470	2,078	150,548
Other comprehensive loss	—	—	—	—	—	—	(44,121)	(44,121)	(82)	(44,203)
Balance at December 31, 2013	119,077	\$ 119	(3,695)	\$(51,946)	\$1,079,304	\$ 147,764	\$ (81,819)	\$ 1,093,422	\$ 8,995	\$1,102,417

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

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**CINEMARK HOLDINGS, INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**YEARS ENDED DECEMBER 31, 2011, 2012 AND 2013**  
(In thousands)

	2011	2012	2013
<b>Operating activities</b>			
Net income	\$ 132,582	\$ 171,420	\$ 150,548
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation	150,149	143,394	160,071
Amortization of intangible and other assets and favorable/unfavorable leases	4,300	4,281	3,899
Amortization of long-term prepaid rents	2,657	2,673	2,625
Amortization of debt issue costs	4,744	4,792	5,476
Amortization of deferred revenues, deferred lease incentives and other	(9,629)	(9,343)	(11,712)
Amortization of bond discount	853	933	482
Amortization of accumulated other comprehensive loss related to terminated interest rate swap agreement	4,236	2,470	—
Fair value change in interest rate swap agreements not designated as hedges	(1,130)	(808)	—
Impairment of long-lived assets	7,033	3,031	3,794
Share based awards compensation expense	9,692	15,070	16,886
(Gain) loss on sale of assets and other	8,792	12,168	(3,845)
Loss on marketable securities — RealD	12,610	—	—
Write-off of unamortized debt issue costs, debt discount and accumulated other comprehensive loss related to early retirement of debt	4,945	—	15,688
Deferred lease expenses	4,155	4,104	5,701
Deferred income tax expenses	21,676	5,280	(37,790)
Equity in income of affiliates	(5,651)	(13,109)	(22,682)
Interest paid on redemption of senior notes	—	—	(8,054)
Distributions from equity investees	7,125	7,470	13,658
Changes in other assets and liabilities and other	32,062	41,379	14,921
Net cash provided by operating activities	391,201	395,205	309,666
<b>Investing activities</b>			
Additions to theatre properties and equipment	(184,819)	(220,727)	(259,670)
Proceeds from sale of theatre properties and equipment and other	6,230	1,976	34,271
Acquisition of theatres in the U.S., net of cash acquired	—	(14,080)	(259,247)
Acquisition of theatres in Argentina	(66,958)	—	—
Proceeds from disposition of Mexico theatres	—	—	126,167
Investment in joint ventures and other	(1,520)	(1,480)	(6,222)
Net cash used for investing activities	(247,067)	(234,311)	(364,701)
<b>Financing activities</b>			
Proceeds from stock option exercises	444	459	57
Payroll taxes paid as a result of noncash stock option exercises and restricted stock withholdings	(494)	(3,263)	(3,464)
Dividends paid to stockholders	(95,838)	(96,367)	(106,045)
Proceeds from issuance of notes	200,000	400,000	530,000
Other short term borrowings	—	—	1,473
Proceeds from amended senior secured credit facility	—	700,000	—
Repayment of former senior secured credit facility	—	(898,955)	—
Redemption of senior notes	—	—	(461,946)
Repayments of other long-term debt	(166,898)	(9,711)	(9,339)
Payment of debt issue costs	(4,539)	(18,453)	(9,328)
Payments on capital leases	(7,526)	(9,451)	(12,015)
Purchases of non-controlling interests	(1,443)	—	(5,621)
Other	(2,120)	(835)	44
Net cash provided by (used for) financing activities	(78,414)	63,424	(76,184)
<b>Effect of exchange rates on cash and cash equivalents</b>	(9,309)	(3,062)	(11,516)
<b>Increase (decrease) in cash and cash equivalents</b>	56,411	221,256	(142,735)
<b>Cash and cash equivalents:</b>			
Beginning of year	464,997	521,408	742,664
End of year	\$ 521,408	\$ 742,664	\$ 599,929

Supplemental information (see Note 19)

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

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

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

*Business* — Cinemark Holdings, Inc. and subsidiaries (the “Company”) is a leader in the motion picture exhibition industry, with theatres in the United States (“U.S.”), Brazil, Argentina, Chile, Colombia, Peru, Ecuador, Honduras, El Salvador, Nicaragua, Costa Rica, Panama and Guatemala. The Company operated theatres in Mexico until November 15, 2013. (See Note 5.) The Company also managed additional theatres in the U.S., Brazil, and Colombia during the year ended December 31, 2013.

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

*Cash and Cash Equivalents* — Cash and cash equivalents consist of operating funds held in financial institutions, petty cash held by the theatres and highly liquid investments with original maturities of three months or less when purchased. Cash investments were primarily in money market funds or other similar funds.

*Accounts Receivable* — Accounts receivable, which are recorded at net realizable value, consists primarily of receivables related to screen advertising, receivables related to discounted tickets sold to retail locations, rebates earned from the Company’s beverage and other concession vendors and value-added and other non-income tax receivables.

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

*Theatre Properties and Equipment* — Theatre properties and equipment are stated at cost less accumulated depreciation and amortization. Depreciation is provided using the straight-line method over the estimated useful lives of the assets as follows:

<u>Category</u>	<u>Useful Life</u>
Buildings on owned land	40 years
Buildings on leased land	Lesser of lease term or useful life
Land and buildings under capital lease	Lesser of lease term or useful life
Theatre furniture and equipment	5 to 15 years
Leasehold improvements	Lesser of lease term or useful life

The Company reviews long-lived assets for impairment indicators 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, budgeted theatre level cash flows, theatre property and equipment carrying values, amortizing intangible asset carrying values, the age of a recently built theatre, competitive theatres in the marketplace, the impact of recent ticket price changes, available lease renewal options and other factors considered relevant in its assessment of impairment of individual theatre assets. Long-lived

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assets are evaluated for impairment on an individual theatre basis, which the Company believes is the lowest applicable level for which there are identifiable cash flows. The impairment evaluation is based on the estimated undiscounted cash flows from continuing use through the remainder of the theatre's useful life. The remainder of the theatre's useful life correlates with the available remaining lease period, which includes the probability of renewal periods for leased properties and for fee owned properties, the lesser of twenty years or the building's remaining useful life. If the estimated undiscounted cash flows are not sufficient to recover a long-lived asset's carrying value, the Company then compares the carrying value of the asset group (theatre) with its estimated fair value. 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, which fall under Level 3 of the U.S. GAAP fair value hierarchy as defined by Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Topic 820-10-35, are based on historical and projected operating performance, recent market transactions and current industry trading multiples. Fair value is determined based on a multiple of cash flows, which was six and a half times for the evaluations performed during 2011, 2012 and 2013. The long-lived asset impairment charges recorded during each of the periods presented are specific to theatres that were directly and individually impacted by increased competition, adverse changes in market demographics, or adverse changes in the development or the conditions of the areas surrounding the theatre. See Note 10.

*Goodwill and Other Intangible Assets*— Goodwill is the excess of cost over fair value of theatre businesses acquired. Goodwill is evaluated for impairment on an annual basis during the fourth quarter or whenever events or changes in circumstances indicate the carrying value of goodwill may not be fully recoverable. 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 Company considers the reporting unit to be each of its eighteen regions in the U.S. and each of its seven international countries (Honduras, El Salvador, Nicaragua, Costa Rica, Panama and Guatemala are considered one reporting unit). Goodwill impairment is evaluated using a two-step approach requiring the Company to compute the fair value of a reporting unit and compare it with its carrying value. If the carrying value of the reporting unit exceeds its estimated fair value, a second step is performed to measure the potential goodwill impairment. Significant judgment is involved in estimating cash flows and fair value. Management's estimates, which fall under Level 3 of the U.S. GAAP fair value hierarchy as defined by FASB ASC Topic 820-10-35, are based on historical and projected operating performance, recent market transactions, and current industry trading multiples. Fair value is determined based on a multiple of cash flows, which was seven and a half times for the evaluations performed during 2011 and 2012 and eight times for the evaluation performed during 2013. The Company increased the multiple of cash flows used for the evaluation performed during the year ended December 31, 2013 due to the increase in industry trading multiples, and the increase in the Company's stock price and resulting market capitalization.

Indefinite-lived tradename intangible assets are tested for impairment at least annually during the fourth quarter or whenever events or changes in circumstances indicate the carrying value may not be fully recoverable. The Company estimates the fair value of its tradenames by applying an estimated market royalty rate that could be charged for the use of the Company's tradename to forecasted future revenues, with an adjustment for the present value of such royalties. If the estimated fair value is less than the carrying value, the tradename intangible asset is written down to its estimated fair value. Significant judgment is involved in estimating market royalty rates and long-term revenue forecasts. Management's estimates, which fall under Level 3 of the U.S. GAAP fair value hierarchy as defined by FASB ASC Topic 820-10-35, are based on historical and projected revenue performance and industry trends.

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The table below summarizes the Company's intangible assets and the amortization method used for each type of intangible asset:

<u>Intangible Asset</u>	<u>Amortization Method</u>
Goodwill	Indefinite-lived
Tradename	Indefinite-lived
Vendor contracts	Straight-line method over the terms of the underlying contracts. The remaining terms of the underlying contracts range from one to seven years.
Favorable/unfavorable leases	Based on the pattern in which the economic benefits are realized over the terms of the lease agreements. The remaining terms of the lease agreements range from one to twenty-three years.
Other intangible assets	Straight-line method over the terms of the underlying agreement or the expected useful life of the intangible asset. The remaining useful lives of these intangible assets range from one to thirteen years.

*Deferred Charges and Other Assets* — Deferred charges and other assets consist of debt issue costs, long-term prepaid rents, construction related deposits, lease deposits, equipment to be placed in service, and other assets of a long-term nature. Debt issue costs are amortized using the straight-line method (which approximates the effective interest method) over the primary financing terms of the related debt agreement. Long-term prepaid rents represent prepayments of rent on operating leases. These payments are recognized as facility lease expense over the period for which the rent was paid in advance as outlined in the lease agreements. The amortization periods generally range from one to six years.

*Lease Accounting* — The Company evaluates each lease for classification as either a capital lease or an operating lease. If substantially all of the benefits and risks of ownership have been transferred to the Company as lessee, the Company records the lease as a capital lease at its inception. The Company performs this evaluation at the inception of the lease and when a modification is made to a lease. If the lease agreement calls for a scheduled rent increase during the lease term, the Company recognizes the lease expense on a straight-line basis over the lease term. The Company determines the straight-line rent expense impact of an operating lease upon inception of the lease. The landlord is typically responsible for constructing a theatre using guidelines and specifications agreed to by the Company and assumes substantially all of the risk of construction. If the Company concludes that it has substantially all of the construction period risks, it records a construction asset and related liability for the amount of total project costs incurred during the construction period. At the end of the construction period, the Company determines if the transaction qualifies for sale-leaseback accounting treatment in regards to lease classification. If the Company receives a lease incentive payment from a landlord, the Company records the proceeds as a deferred lease incentive liability and amortizes the liability as a reduction in rent expense over the initial term of the respective lease.

*Deferred Revenues* — Advances collected on long-term screen advertising, concession and other contracts are recorded as deferred revenues. In accordance with the terms of the agreements, the advances collected on such contracts are recognized during the period in which the advances are earned, which may differ from the period in which the advances are collected. Revenues related to these advances are recognized on either a straight-line basis over the term of the contracts or as such revenues are earned in accordance with the terms of the contracts.

*Insurance Reserves* — The Company is self-insured for general liability claims subject to an annual cap. For the year ended December 31, 2013, claims were capped at \$250 per occurrence with an annual cap of approximately \$2,600. The Company is also self-insured for medical claims up to \$125 per occurrence. The

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Company is fully insured for workers compensation claims. As of December 31, 2012 and 2013, the Company's insurance reserves were \$7,693 and \$9,776, respectively, and are reflected in accrued other current liabilities in the consolidated balance sheets.

*Revenue and Expense Recognition* — Revenues are recognized when admissions and concession sales are received at the box office. Other revenues primarily consist of screen advertising. Screen advertising revenues are recognized over the period that the related advertising is delivered on-screen or in-theatre. The Company records proceeds from the sale of gift cards and other advanced sale-type certificates in current liabilities and recognizes admissions or concession revenue when a holder redeems the card or certificate. The Company recognizes unredeemed gift cards and other advanced sale-type certificates as revenue only after such a period of time indicates, based on historical experience, the likelihood of redemption is remote, and based on applicable laws and regulations. In evaluating the likelihood of redemption, the Company considers the period outstanding, the level and frequency of activity, and the period of inactivity. As of December 31, 2012 and 2013, the Company's liabilities for advanced sale-type certificates were approximately \$46,063 and \$55,024, respectively, and are reflected in accrued other current liabilities on the consolidated balance sheets. The Company recognized unredeemed gift cards and other advanced sale-type certificates as revenues in the amount of \$7,846, \$9,093 and \$10,684 during the years ended December 31, 2011, 2012 and 2013, respectively.

Film rental costs are accrued based on the applicable box office receipts and either mutually agreed upon firm terms or a sliding scale formula, which are generally established prior to the opening of the film, or estimates of the final mutually agreed upon settlement, which occurs at the conclusion of the film run, subject to the film licensing arrangement. Under a firm terms formula, the Company pays the distributor a mutually agreed upon percentage of box office receipts, which reflects either a mutually agreed upon aggregate rate for the life of the film or rates that decline over the term of the run. Under a sliding scale formula, film rental is paid as a percentage of box office revenues using a pre-determined matrix based upon box office performance of the film. The settlement process allows for negotiation of film rental fees upon the conclusion of the film run based upon how the film performs. Estimates are based on the expected success of a film. The success of a film can typically be determined a few weeks after a film is released when initial box office performance of the film is known. Accordingly, final settlements typically approximate estimates since box office receipts are known at the time the estimate is made and the expected success of a film can typically be estimated early in the film's run. If actual settlements are different than those estimates, film rental costs are adjusted at that time.

*Accounting for Share Based Awards* — The Company measures the cost of employee services received in exchange for an equity award based on the fair value of the award on the date of the grant. The grant date fair value is estimated using a market observed price, if such a price exists. Such costs are recognized over the period during which an employee is required to provide service in exchange for the award (which is usually the vesting period). At the time of the grant, the Company also estimates the number of instruments that will ultimately be forfeited. See Note 18 for discussion of the Company's share based awards and related compensation expense.

*Income Taxes* — The Company uses an asset and liability approach to financial accounting and reporting for income taxes. Deferred income taxes are provided when tax laws and financial accounting standards differ with respect to the amount of income for a year and the basis of assets and liabilities. A valuation allowance is recorded to reduce the carrying amount of deferred tax assets unless it is more likely than not that such assets will be realized. Income taxes are provided on unremitted earnings from foreign subsidiaries unless such earnings are expected to be indefinitely reinvested. Income taxes have also been provided for potential tax assessments. The evaluation of an uncertain tax position is a two-step process. The first step is recognition: The Company determines whether it is more likely than not that a tax position will be sustained upon examination, including resolution of any related appeals or litigation processes, based on the technical merits of the position. In

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evaluating whether a tax position has met the more-likely-than-not recognition threshold, the Company should presume that the position would be examined by the appropriate taxing authority that would have full knowledge of all relevant information. The second step is measurement: A tax position that meets the more-likely-than-not recognition threshold is measured to determine the amount of benefit to recognize in the financial statements. The tax position is measured as the largest amount of benefit that is greater than 50 percent likely of being realized upon ultimate settlement. Differences between tax positions taken in a tax return and amounts recognized in the financial statements result in (1) a change in a liability for income taxes payable or (2) a change in an income tax refund receivable, a deferred tax asset or a deferred tax liability or both (1) and (2). The Company accrues interest and penalties on its uncertain tax positions as a component of income tax expense.

*Segments* — For the years ended December 31, 2011, 2012 and 2013, the Company managed its business under two reportable operating segments, U.S. markets and international markets. See Note 22.

*Use of Estimates* — The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the periods presented. The Company's consolidated financial statements include amounts that are based on management's best estimates and judgments. Actual results could differ from those estimates.

*Foreign Currency Translations* — The assets and liabilities of the Company's foreign subsidiaries are translated into U.S. dollars at current exchange rates as of the balance sheet date, and revenues and expenses are translated at average monthly exchange rates. The resulting translation adjustments are recorded in the consolidated balance sheets in accumulated other comprehensive loss. See Note 15 for a summary of the translation adjustments recorded in accumulated other comprehensive loss for the years ended December 31, 2011, 2012 and 2013. The Company recognizes foreign currency transaction gains and losses when changes in exchange rates impact transactions, other than intercompany transactions of a long-term investment nature, that have been denominated in a currency other than the functional currency.

*Fair Value Measurements* — According to authoritative guidance, inputs used in fair value measurements fall into three different categories; Level 1, Level 2 and Level 3. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date. Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. Level 3 inputs are unobservable inputs for the asset or liability. The Company has interest rate swap agreements and investments in marketable securities that are adjusted to fair value on a recurring basis (quarterly). With respect to its interest rate swap agreements, the Company uses the income approach to determine the fair value of its interest rate swap agreements and under this approach, the Company uses projected future interest rates as provided by the counterparties to the interest rate swap agreements and the fixed rates that the Company is obligated to pay under these agreements. Therefore, the Company's fair value measurements for its interest rate swaps use significant unobservable inputs, which fall in Level 3. With respect to its investments in marketable securities, the Company uses quoted market prices, which fall under Level 1 of the hierarchy. There were no changes in valuation techniques during the period and no transfers in or out of Level 1, Level 2 or Level 3 during the year ended December 31, 2013. See Note 13 for further discussion of the Company's interest rate swap agreements and Note 14 for further discussion of the Company's fair value measurements. The Company also uses fair value measurements on a nonrecurring basis, primarily in the impairment evaluations for goodwill, intangible assets and other long-lived assets. See *Goodwill and Other Intangible Assets* and *Theatre Properties and Equipment* included above for discussion of such fair value measurements.

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*Acquisitions* — The Company accounts for acquisitions under the acquisition method of accounting. The acquisition method requires that the acquired assets and liabilities, including contingencies, be recorded at fair value determined on the acquisition date and changes thereafter reflected in income. For significant acquisitions, the Company obtains independent third party valuation studies for certain of the assets acquired and liabilities assumed to assist the Company in determining fair value. The estimation of the fair values of the assets acquired and liabilities assumed involves a number of estimates and assumptions that could differ materially from the actual amounts realized. The Company provides assumptions, including both quantitative and qualitative information, about the specified asset or liability to the third party valuation firms. The Company primarily utilizes the third parties to accumulate comparative data from multiple sources and assemble a report that summarizes the information obtained. The Company then uses the information to record estimated fair value. The third party valuation firms are supervised by Company personnel who are knowledgeable about valuations and fair value. The Company evaluates the appropriateness of the assumptions and valuation methodologies utilized by the third party valuation firm.

**2. NEW ACCOUNTING PRONOUNCEMENTS**

During February 2013, the FASB issued ASU 2013-02, *Comprehensive Income (Topic 220): Reporting of Amounts Reclassified Out of Accumulated Other Comprehensive Income* (“ASU 2013-02”). ASU 2013-02 amended existing guidance by requiring additional disclosure either on the face of the income statement or in the notes to the financial statements of significant amounts reclassified out of accumulated other comprehensive income. ASU 2013-02 requires prospective adoption and affects financial statement disclosures only. For public entities, the new disclosure requirements are effective for fiscal years, and interim periods within those years, beginning after December 15, 2012. The adoption of ASU 2013-02 did not have a significant impact on our consolidated financial statements. See Note 13 for changes in accumulated other comprehensive loss, including amounts reclassified out of accumulated other comprehensive loss, for the years ended December 31, 2011, 2012 and 2013.

**3. EARNINGS PER SHARE**

The Company considers its unvested share based payment awards, which contain non-forfeitable rights to dividends, participating securities, and includes such participating securities in its computation of earnings per share pursuant to the two-class method. Basic earnings per share for the two classes of stock (common stock and unvested restricted stock) is calculated by dividing net income by the weighted average number of shares of common stock and unvested restricted stock outstanding during the reporting period. Diluted earnings per share is calculated using the weighted average number of shares of common stock and unvested restricted stock plus the potentially dilutive effect of common equivalent shares outstanding determined under both the two class method and the treasury stock method.

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The following table presents computations of basic and diluted earnings per share under the two class method:

	Year ended December 31,		
	2011	2012	2013
<b>Numerator:</b>			
Net income attributable to Cinemark Holdings, Inc.	\$ 130,557	\$ 168,949	\$ 148,470
Earnings allocated to participating share-based awards <sup>(1)</sup>	(1,458)	(2,061)	(1,530)
Net income attributable to common stockholders	<u>\$ 129,099</u>	<u>\$ 166,888</u>	<u>\$ 146,940</u>
<b>Denominator (shares in thousands):</b>			
Basic weighted average common stock outstanding	112,736	113,216	113,896
Common equivalent shares for stock options	41	36	9
Common equivalent shares for restricted stock units	447	572	491
Diluted	<u>113,224</u>	<u>113,824</u>	<u>114,396</u>
Basic earnings per share attributable to common stockholders	<u>\$ 1.15</u>	<u>\$ 1.47</u>	<u>\$ 1.28</u>
Diluted earnings per share attributable to common stockholders	<u>\$ 1.14</u>	<u>\$ 1.47</u>	<u>\$ 1.28</u>

<sup>(1)</sup> For the years ended December 31, 2011, 2012 and 2013, a weighted average of approximately 1,274 shares, 1,406 shares and 1,198 shares of unvested restricted stock, respectively, are considered participating securities.

**4. DIVIDENDS**

Below is a summary of dividends declared for the fiscal periods indicated.

Date Declared	Date of Record	Date Paid	Amount per Common Share <sup>(2)</sup>	Total Dividends <sup>(1)</sup>
02/24/11	03/04/11	03/16/11	\$0.21	\$24,056
05/12/11	06/06/11	06/17/11	\$0.21	24,152
08/04/11	08/17/11	09/01/11	\$0.21	24,157
11/03/11	11/18/11	12/07/11	\$0.21	24,157
Total — Year ended December 31, 2011				<u>\$96,522</u>
02/03/12	03/02/12	03/16/12	\$0.21	\$24,141
05/11/12	06/04/12	06/19/12	\$0.21	24,274
08/08/12	08/21/12	09/05/12	\$0.21	24,281
11/06/12	11/21/12	12/07/12	\$0.21	24,565
Total — Year ended December 31, 2012				<u>\$97,261</u>
02/12/13	03/04/13	03/15/13	\$0.21	\$24,325
05/24/13	06/06/13	06/20/13	\$0.21	24,348
08/15/13	08/28/13	09/12/13	\$0.25	28,992
11/19/13	12/02/13	12/11/13	\$0.25	29,152
Total — Year ended December 31, 2013				<u>\$106,817</u>

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- (1) Of the dividends recorded during 2011, 2012 and 2013, \$684, \$894 and \$772, respectively, were related to outstanding restricted stock units and will not be paid until such units vest. See Note 19.
- (2) Beginning with the dividend declared on August 15, 2013, the Company's board of directors raised the quarterly dividend to \$0.25 per common share.

**5. ACQUISITIONS AND DISPOSITIONS**

*Acquisition of Rave Theatres*

On May 29, 2013, the Company acquired 32 theatres with 483 screens from Rave Real Property Holdco, LLC and certain of its subsidiaries, Rave Cinemas, LLC and RC Processing, LLC (collectively "Rave") in an asset purchase for approximately \$236,875 in cash plus the assumption of certain liabilities (the "Rave Acquisition"). The acquisition resulted in an expansion of the Company's domestic theatre base into one new state and seven new markets. The transaction was subject to antitrust approval by the Department of Justice or Federal Trade Commission. The Department of Justice required the Company to agree to divest of three of the newly-acquired theatres, which occurred during August 2013 (see discussion below). The Company incurred approximately \$500 in transaction costs, which are reflected in general and administrative expenses on the consolidated statement of income for the year ended December 31, 2013.

The transaction was accounted for by applying the acquisition method. The following table represents the fair value of the identifiable assets acquired and liabilities assumed as of the acquisition date:

Theatre properties and equipment	\$102,977
Tradename	25,000
Favorable leases	17,587
Goodwill	186,418
Unfavorable leases	(30,718)
Deferred revenue	(6,634)
Capital lease liabilities	(61,651)
Other assets, net of other liabilities	3,896
<b>Total</b>	<b><u>\$236,875</u></b>

The weighted average amortization period for the intangible assets acquired was approximately 14 years as of the acquisition date. The goodwill is fully deductible for tax purposes. The acquired theatres are reported in the Company's U.S. Segment.

The following unaudited pro forma information summarizes our results of operations as if the Rave Acquisition had occurred as of January 1, 2011:

	Years Ended December 31,		
	2011	2012	2013
Total revenues	\$ 2,492,419	\$ 2,714,131	\$ 2,777,458
Income before income taxes	\$ 220,851	\$ 326,958	\$ 273,440

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*Acquisition of Other U.S. Theatres*

The Company acquired two additional theatres with 30 screens during April 2013 in two separate transactions for an aggregate purchase price of approximately \$22,372 in cash plus the assumption of certain liabilities. The transactions were accounted for by applying the acquisition method. The following table represents the aggregate fair values of identifiable assets acquired and the liabilities assumed as of the acquisition date:

Theatre properties and equipment	\$ 17,524
Goodwill	17,409
Capital lease liability	(12,173)
Deferred revenue	(388)
Total	<u>\$ 22,372</u>

*Acquisition of Argentina Theatres*

During August 2011, the Company acquired ten theatres with 95 screens from Hoyts General Cinema South America, Inc. in a stock purchase for approximately \$66,958 in cash. The acquisition resulted in an expansion of the Company's international theatre base. The Company incurred approximately \$200 in transaction costs, which are reflected in general and administrative expenses on the consolidated statement of income for the year ended December 31, 2011. The transaction was accounted for by applying the acquisition method.

The following table represents the fair value of the identifiable assets acquired and liabilities assumed as of the acquisition date:

Theatre properties and equipment	\$24,098
Tradename	10,032
Favorable leases	3,919
Other intangible assets	884
Goodwill	43,018
Long-term debt	(5,993)
Deferred tax liability	(7,240)
Other liabilities, net of other assets	(1,760)
Total	<u>\$66,958</u>

The weighted average amortization period for the intangible assets acquired was approximately seven years as of the acquisition date. The acquisition is still being reviewed by the Argentina Comisión Nacional de Defensa de la Competencia ("CNDC").

*Disposition of Mexico Subsidiaries*

During February 2013, the Company entered into a stock purchase agreement with Grupo Cinemex, S.A. De C.V. pursuant to which the Company would sell its Mexican subsidiaries, which consisted of 31 theatres and 290 screens. The transaction was subject to approval by the Mexican Federal Competition Commission (the "Competition Commission"). During August 2013, the Competition Commission voted three to two to block the transaction and the Company filed an appeal for the Competition Commission to reconsider the sale. During

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November 2013, the Competition Committee approved the sale and the transaction closed on November 15, 2013. The sales price, which was paid in Mexican pesos, was approximately \$126,167, based on the exchange rate at November 15, 2013. The Company recorded a pre-tax gain of approximately \$3,521 on the sale.

*Disposition of Recently Acquired Rave Theatres*

In conjunction with the Rave Acquisition, the Company was required to divest of three theatres pursuant to a Hold Separate Agreement with the Department of Justice. On July 17, 2013, the Company entered into a definitive agreement to sell these three theatres to Carmike Cinemas, Inc. The transaction was approved by the Department of Justice and closed on August 16, 2013.

**6. INVESTMENT IN NATIONAL CINEMEDIA LLC**

The Company has an investment in National CineMedia, LLC ("NCM"). NCM operates a digital in-theatre network in the U.S. for providing cinema advertising and non-film events. Upon joining NCM, the Company entered into an Exhibitor Services Agreement, or the ESA, with NCM, pursuant to which NCM provides advertising, promotion and event services to our theatres. On February 13, 2007, National CineMedia, Inc. ("NCMI"), an entity that serves as the sole manager of NCM, completed an IPO of its common stock. In connection with the NCMI initial public offering, the Company amended its operating agreement and the ESA with NCMI. The ESA modification reflected a shift from circuit share expense under the prior ESA, which obligated NCM to pay the Company a percentage of revenue, to a monthly theatre access fee, which significantly reduced the contractual amounts paid to us by NCM. The Company recorded the proceeds related to the ESA modification as deferred revenue, which is being amortized into other revenues over the life of the agreement using the units of revenue method. In consideration for NCM's exclusive access to the Company's theatre attendees for on-screen advertising and use of off-screen areas within the Company's theatres for lobby entertainment and lobby promotions, the Company receives a monthly theatre access fee under the modified ESA. 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 reasons outlined in the modified ESA. The payment per theatre patron increases 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, increases annually by 5%. For 2011, 2012 and 2013, the annual payment per digital screen was nine hundred seventy-two dollars, one thousand twenty-one dollars and one thousand seventy-two dollars, respectively. The theatre access fee paid in the aggregate to Regal Entertainment Group ("Regal"), AMC Entertainment, Inc. ("AMC") and the Company will not be less than 12% of NCM's Aggregate Advertising Revenue (as defined in the modified ESA), 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 modified ESA has, except with respect to certain limited services, a remaining term of approximately 23 years.

As a result of the application of a portion of the proceeds it received from the NCMI initial public offering, the Company had a negative basis in its original membership units in NCM, which is referred to herein as the Company's Tranche 1 Investment. Following the NCM, Inc. IPO, the Company does not recognize undistributed equity in the earnings on its Tranche 1 Investment until NCM's future net earnings, less distributions received, surpass the amount of the excess distribution. The Company recognizes equity in earnings on its Tranche 1 Investment only to the extent it receives cash distributions from NCM. The Company recognizes cash distributions it receives from NCM on its Tranche 1 Investment as a component of earnings as Distributions from NCM. The Company believes that the accounting model provided by ASC 323-10-35-22 for recognition of equity investee losses in excess of an investor's basis is analogous to the accounting for equity income subsequent to recognizing an excess distribution.

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*Common Unit Adjustments*

Pursuant to a Common Unit Adjustment Agreement dated as of February 13, 2007 between NCMI and the Company, AMC and Regal, which we refer to collectively as the Founding Members, annual adjustments to the common membership units are made primarily based on increases or decreases in the number of theatre screens operated and theatre attendance generated by each Founding Member. To account for the receipt of additional common units under the Common Unit Adjustment Agreement, we follow the guidance in FASB ASC 323-10-35-29 (formerly EITF 02-18, “Accounting for Subsequent Investments in an Investee after Suspension of Equity Loss Recognition”) by analogy, which also refers to AICPA Technical Practice Aid 2220.14, which indicates that if a subsequent investment is made in an equity method investee that has experienced significant losses, the investor must determine if the subsequent investment constitutes funding of prior losses. We concluded that the construction or acquisition of new theatres that has led to the common unit adjustments equates to making additional investments in NCM. We evaluated the receipt of the additional common units in NCM and the assets exchanged for these additional units and have determined that the right to use our incremental new screens would not be considered funding of prior losses. We account for these additional common units, which we refer to herein as our Tranche 2 Investment, as a separate investment than our Tranche 1 Investment. The common units received are recorded at fair value as an increase in our investment in NCM with an offset to deferred revenue. The deferred revenue is amortized over the remaining term of the ESA. Our Tranche 2 Investment is accounted for following the equity method, with undistributed equity earnings related to our Tranche 2 Investment included as a component of earnings in equity in income of affiliates and distributions received related to our Tranche 2 Investment are recorded as a reduction of our investment basis. In the event that a common unit adjustment is determined to be a negative number, the Founding Member can elect to either transfer and surrender to NCM the number of common units equal to all or part of such Founding Member’s common unit adjustment or to pay to NCM an amount equal to such Founding Member’s common unit adjustment calculated in accordance with the Common Unit Adjustment Agreement. If the Company then elects to surrender common units as part of a negative common unit adjustment, the Company would record a reduction to deferred revenue at the then fair value of the common units surrendered and a reduction of the Company’s Tranche 2 Investment at an amount equal to the weighted average cost for Tranche 2 common units, with the difference between the two values recorded as a gain or loss on sale of assets and other.

Below is a summary of common units received by the Company under the Common Unit Adjustment Agreement during the years ended December 31, 2011, 2012 and 2013:

<u>Event</u>	<u>Date Common Units Received</u>	<u>Number of Common Units Received</u>	<u>Fair Value of Common Units Received</u>
2011 Annual common unit adjustment	03/31/11	549,417	\$ 9,302
2012 Annual common unit adjustment	03/29/12	598,724	\$ 9,137
2013 Annual common unit adjustment	03/28/13	588,024	\$ 8,869
2013 Extraordinary common unit adjustment (as result of Rave Acquisition — see Note 5)	05/29/13	5,315,837	\$ 89,928

Each common unit received by the Company is convertible into one share of NCMI common stock. The fair value of the common units received was estimated based on the market price of NCMI stock at the time that the common units were received, adjusted for volatility associated with the estimated period of time it would take to convert the common units and register the respective shares. The fair value measurement used for the common units falls under Level 2 of the U.S. GAAP fair value hierarchy as defined by ASC Topic 820-10-35. The Company records additional common units it receives as part of its Tranche 2 Investment at estimated fair value with a corresponding adjustment to deferred revenue.

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As of December 31, 2013, the Company owned a total of 23,998,505 common units of NCM, which represented an approximate 19% interest. Each common unit is convertible into one share of NCMI common stock. The estimated fair value of the Company's investment in NCM was approximately \$479,010 as of December 31, 2013, using NCMI's stock price as of December 31, 2013 of \$19.96 per share.

*Summary of Activity with NCM*

Below is a summary of activity with NCM included in the Company's consolidated financial statements for the periods indicated:

	Investment in NCM	Deferred Revenue	Distributions from NCM	Equity in Earnings	Other Revenue	Other Comprehensive Income	Cash Received
Balance as of January 1, 2011	\$ 64,376	\$(230,573)					
Receipt of common units due to annual common unit adjustment	\$ 9,302	\$ (9,302)	\$ —	\$ —	\$ —	\$ —	\$ —
Revenues earned under ESA <sup>(1)</sup>	—	—	—	—	(5,890)	—	5,890
Receipt of excess cash distributions	(6,322)	—	(20,023)	—	—	—	26,345
Receipt under tax receivable agreement	(729)	—	(4,138)	—	—	—	4,867
Equity in earnings	5,413	—	—	(5,413)	—	—	—
Amortization of deferred revenue	—	3,565	—	—	(3,565)	—	—
Balance as of and for the period ended December 31, 2011	<u>\$ 72,040</u>	<u>\$(236,310)</u>	<u>\$ (24,161)</u>	<u>\$ (5,413)</u>	<u>\$ (9,455)</u>	<u>\$ —</u>	<u>\$37,102</u>
Receipt of common units due to annual common unit adjustment	\$ 9,137	\$ (9,137)	\$ —	\$ —	\$ —	\$ —	\$ —
Revenues earned under ESA <sup>(1)</sup>	—	—	—	—	(7,112)	—	7,112
Receipt of excess cash distributions	(6,503)	—	(17,889)	—	—	—	24,392
Receipt under tax receivable agreement	(967)	—	(2,923)	—	—	—	3,890
Equity in earnings	4,416	—	—	(4,416)	—	—	—
Amortization of deferred revenue	—	4,142	—	—	(4,142)	—	—
Balance as of and for the period ended December 31, 2012	<u>\$ 78,123</u>	<u>\$(241,305)</u>	<u>\$ (20,812)</u>	<u>\$ (4,416)</u>	<u>\$ (11,254)</u>	<u>\$ —</u>	<u>\$35,394</u>
Receipt of common units due to annual common unit adjustment	8,869	(8,869)	\$ —	\$ —	\$ —	\$ —	\$ —
Receipt of common units due to extraordinary common unit adjustment	89,928	(89,928)	—	—	—	—	—
Revenues earned under ESA <sup>(1)</sup>	—	—	—	—	(7,960)	—	7,960
Receipt of excess cash distributions	(13,166)	—	(19,374)	—	—	—	32,540
Receipt under tax receivable agreement	(492)	—	(1,327)	—	—	—	1,819
Equity in earnings <sup>(2)</sup>	13,753	—	—	(11,578)	—	—	—
Equity in other comprehensive income	1,838	—	—	—	—	(1,838)	—
Amortization of deferred revenue	—	5,673	—	—	(5,673)	—	—
Balance as of and for the period ended December 31, 2013	<u>\$178,853</u>	<u>\$(334,429)</u>	<u>\$ (20,701)</u>	<u>\$(11,578)</u>	<u>\$(13,633)</u>	<u>\$ (1,838)</u>	<u>\$42,319</u>

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- (1) Amounts include the per patron and per digital screen theatre access fees due to the Company, net of amounts due to NCM for on-screen advertising time provided to the Company's beverage concessionaire. The amounts due to NCM for on-screen advertising time provided to the Company's beverage concessionaire were approximately \$10,733, \$11,063 and \$11,958 for the years ended December 31, 2011, 2012 and 2013, respectively.
- (2) A portion of the equity in earnings recorded for the year ended December 31, 2013 was recorded as a reduction in our investment basis in a joint venture (AC JV, LLC) that the Company, along with Regal and AMC, recently formed with NCM. See Note 16.

The tables below present summary financial information for NCM for the periods indicated:

	Year Ended		
	December 29, 2011	December 27, 2012	December 26, 2013
Gross revenues	\$ 435,434	\$ 448,760	\$ 462,815
Operating income	\$ 193,716	\$ 191,839	\$ 202,019
Net income	\$ 134,524	\$ 101,013	\$ 162,870

  

	As of	
	December 27, 2012	December 26, 2013
Total assets	\$ 437,382	\$ 699,160
Total liabilities	\$ 961,617	\$ 998,381

**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.

On March 10, 2010, the Company signed a master equipment lease agreement and other related agreements (collectively the "Agreements") with Kasima LLC ("Kasima"), which is an indirect subsidiary of DCIP and a related party to the Company. Upon signing the Agreements, the Company contributed the majority of its U.S. digital projection systems to DCIP, which DCIP then contributed to Kasima.

The Company has a variable interest in Kasima through the terms of its master equipment lease agreement; however, the Company has determined that it is not the primary beneficiary of Kasima, as the Company does not have the ability to direct the activities of Kasima that most significantly impact Kasima's economic performance.

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As of December 31, 2013, the Company had a 33% voting interest in DCIP and a 24.3% economic interest in DCIP. The Company accounts for its investment in DCIP and its subsidiaries under the equity method of accounting. Below is a rollforward of our investment in DCIP from January 1, 2011 through December 31, 2013:

Balance as of January 1, 2011	\$10,838
Cash contributions	1,471
Equity in income	489
Balance as of December 31, 2011	<u>\$12,798</u>
Cash contributions	1,325
Equity in income	8,889
Balance as of December 31, 2012	<u>\$23,012</u>
Cash contributions	3,232
Equity in income	11,241
Equity in other comprehensive income	548
Balance as of December 31, 2013 <sup>(1)</sup>	<u><u>\$38,033</u></u>

<sup>(1)</sup> Investment in DCIP is included in investments in and advances to affiliates on the consolidated balance sheets.

Below is summary financial information for DCIP as of and for the years ended December 31, 2011, 2012 and 2013.

	Year ended December 31,		
	2011	2012	2013
Net operating revenue	\$ 113,424	\$ 166,017	\$ 182,659
Operating income	\$ 70,508	\$ 102,663	\$ 116,235
Net income (loss)	\$ (2,510)	\$ 36,752	\$ 48,959

  

	As of	
	December 31, 2012	December 31, 2013
Total assets	\$ 1,209,932	\$ 1,264,870
Total liabilities	\$ 1,070,346	\$ 1,063,110

As a result of the Agreements, the Company has installed digital projection systems to a majority of its first run U.S. theatres. The digital projection systems are being leased from Kasima under an operating lease with an initial term of twelve years that contains ten one-year fair value renewal options. The equipment lease agreement also contains a fair value purchase option. Under the equipment lease agreement, the Company pays minimum annual rent of one thousand dollars per digital projection system for the first six and a half years from the effective date of the agreement and minimum annual rent of three thousand dollars per digital projection system beginning at six and a half years from the effective date through the end of the lease term. The Company may also be subject to various types of other rent if such digital projection systems do not meet minimum performance requirements as outlined in the agreements. Certain of the other rent payments are subject to either a monthly or an annual maximum. As of December 31, 2013, the Company had 3,619 digital projection systems being leased under the master equipment lease agreement with Kasima. The Company recorded equipment lease expense of approximately \$5,332, \$7,802 and \$7,990 during the years ended December 31, 2011, 2012 and 2013, respectively, which is included in utilities and other costs on the consolidated statements of income.

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The digital projection systems leased from Kasima replaced a majority of the Company's existing 35 millimeter projection systems in its U.S. theatres. Therefore, upon signing the agreements during 2010, the Company began accelerating the depreciation of these existing 35 millimeter projection systems. The Company recorded depreciation expense of approximately \$10,604 on its domestic 35 millimeter projection systems during the year ended December 31, 2011. The Company's domestic 35 millimeter projection systems were fully depreciated as of December 31, 2011.

**8. INVESTMENT IN MARKETABLE SECURITIES — REALD, INC.**

The Company licenses 3-D systems from RealD, Inc. ("RealD"). Under its license agreement with RealD, the Company earned options to purchase shares of RealD common stock as it installed a certain number of 3-D systems as outlined in the license agreement.

During 2010 and 2011, the Company vested in a total of 1,222,780 RealD options by reaching target levels as outlined in the license agreement. Upon vesting in these options, the Company recorded an investment in RealD and a deferred lease incentive liability in the aggregate of approximately \$22,311, which represented the estimated fair value of the RealD options. During March 2011, the Company exercised all of its options to purchase shares of common stock in RealD for \$0.00667 per share.

The Company accounts for its investment in RealD as a marketable security. The Company has determined that its RealD shares are available-for-sale securities in accordance with ASC Topic 320-10-35-1, therefore unrealized holding gains and losses are reported as a component of accumulated other comprehensive loss until realized. The deferred lease incentive liability recorded as a result of the option vesting events discussed above is reflected in other long-term liabilities on the consolidated balance sheets and is being amortized over the term of the license agreement, which is approximately seven and one-half years. As of December 21, 2013, the license agreement has a remaining term of approximately five years.

During the year ended December 31, 2011, the Company recognized an other-than-temporary impairment on its investment in RealD due to the length of time and extent to which RealD's quoted stock price had been below the Company's basis in the stock. As a result of the other-than-temporary impairment, the Company reclassified approximately \$12,610, which represented cumulative net unrealized holding losses, from accumulated other comprehensive loss to earnings.

As of December 31, 2013, the Company owned 1,222,780 shares in RealD, with an estimated fair value of \$10,443. The fair value of the RealD shares was determined based upon the quoted price of RealD's common stock on December 31, 2013, which falls under Level 1 of the U.S. GAAP fair value hierarchy as defined by ASC Topic 820-10-35. During the years ended December 31, 2011, 2012 and 2013, the Company recorded a pre-tax unrealized holding gain (loss) of approximately \$(21,694), \$3,998 and \$(3,264), respectively, as a component of accumulated other comprehensive loss.

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Below is a rollforward of the Company's investment in RealD from January 2011 through December 31, 2013:

Balance as of January 1, 2011	\$ 27,993
Fair value of options earned	3,402
Exercise of options at \$0.00667 per share	8
Unrealized holding loss	<u>(21,694)</u>
Balance as of December 31, 2011	\$ 9,709
Unrealized holding gain	<u>3,998</u>
Balance as of December 31, 2012	\$ 13,707
Unrealized holding loss	<u>(3,264)</u>
Balance as of December 31, 2013 <sup>(1)</sup>	<u>\$ 10,443</u>

<sup>(1)</sup> Investment in RealD is included in investments in and advances to affiliates on the consolidated balance sheets.

**9. GOODWILL AND OTHER INTANGIBLE ASSETS — NET**

The Company's goodwill was as follows:

	U.S. Operating Segment	International Operating Segment	Total
Balance at December 31, 2011 <sup>(1)</sup>	\$ 948,026	\$ 202,611	\$ 1,150,637
Acquisition of U.S. theatre	8,971	—	8,971
Foreign currency translation adjustments	—	(8,797)	(8,797)
Balance at December 31, 2012 <sup>(1)</sup>	\$ 956,997	\$ 193,814	\$ 1,150,811
Acquisition of U.S. theatres (Note 5)	203,827	—	203,827
Disposition of U.S. theatres (Note 5)	(10,353)	—	(10,353)
Disposition of Mexico theatres (Note 5)	—	(33,605)	(33,605)
Foreign currency translation adjustments	—	(22,590)	(22,590)
Balance at December 31, 2013 <sup>(1)</sup>	<u>\$ 1,150,471</u>	<u>\$ 137,619</u>	<u>\$ 1,288,090</u>

<sup>(1)</sup> Balances are presented net of accumulated impairment losses of \$214,031 for the U.S. operating segment and \$27,622 for the international operating segment.

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

	December 31, 2011	Amortization	Other <sup>(1)</sup>	December 31, 2012
Intangible assets with finite lives:				
Gross carrying amount	\$ 74,381	\$ —	\$(2,460)	\$ 71,921
Accumulated amortization	<u>(47,313)</u>	<u>(4,611)</u>	<u>570</u>	<u>(51,354)</u>
Total net intangible assets with finite lives	27,068	(4,611)	(1,890)	20,567
Intangible assets with indefinite lives:				
Tradename	309,839	—	335	310,174
Total intangible assets — net	<u>\$ 336,907</u>	<u>\$ (4,611)</u>	<u>\$(1,555)</u>	<u>\$ 330,741</u>

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	December 31, 2012	Acquisitions (2)	Amortization	Dispositions (3)	Other (1)	December 31, 2013
<b>Intangible assets with finite lives:</b>						
Gross carrying amount	\$ 71,921	\$ 44,487	\$ —	\$ (8,862)	\$(5,929)	\$ 101,617
Accumulated amortization	(51,354)	—	(5,995)	8,219	2,833	(46,297)
Total net intangible assets with finite lives	\$ 20,567	\$ 44,487	\$ (5,995)	\$ (643)	\$(3,096)	\$ 55,320
<b>Intangible assets with indefinite lives:</b>						
Tradenname	310,174	—	—	(8,711)	(639)	300,824
Total intangible assets — net	<u>\$ 330,741</u>	<u>\$ 44,487</u>	<u>\$ (5,995)</u>	<u>\$ (9,354)</u>	<u>\$(3,735)</u>	<u>\$ 356,144</u>

(1) Activity for 2012 consists of the write off of favorable leases for theatres that were closed and foreign currency translation adjustments. Activity for 2013 consists of the impairment of \$708 for a favorable lease related to one U.S. theatre and foreign currency translation adjustments.

(2) See Note 5.

(3) Reflects disposition of three Rave theatres and the Company's Mexico theatres (see Note 5).

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

For the year ended December 31, 2014	\$ 6,226
For the year ended December 31, 2015	5,988
For the year ended December 31, 2016	5,876
For the year ended December 31, 2017	5,319
For the year ended December 31, 2018	5,225
Thereafter	26,686
Total	<u>\$55,320</u>

**10. IMPAIRMENT OF LONG-LIVED ASSETS**

The Company reviews long-lived assets for impairment indicators on a quarterly basis or whenever events or changes in circumstances indicate the carrying amount of the assets may not be fully recoverable. See Note 1 for discussion of the Company's impairment evaluation.

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

	Year Ended December 31,		
	2011	2012	2013
United States theatre properties	\$3,635	\$2,693	\$1,911
International theatre properties	3,398	338	1,175
Subtotal	\$7,033	\$3,031	\$3,086
Intangible assets (see Note 9)	—	—	708
Impairment of long-lived assets	<u>\$7,033</u>	<u>\$3,031</u>	<u>\$3,794</u>

The long-lived asset impairment charges recorded during each of the years presented are specific to theatres that were directly and individually impacted by increased competition, adverse changes in market demographics,

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or adverse changes in the development or the conditions of the areas surrounding the theatre. As of December 31, 2013, the estimated aggregate fair value of the long-lived assets impaired during the year ended December 31, 2013 was approximately \$1,760.

**11. DEFERRED CHARGES AND OTHER ASSETS — NET**

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

	December 31,	
	2012	2013
Debt issue costs, net of accumulated amortization	\$ 40,520	\$ 36,725
Long-term prepaid rents	14,958	6,738
Construction related deposits	11,427	26,027
Lease deposits	4,039	2,979
Equipment to be placed in service	22,767	22,333
Other	8,333	9,498
<b>Total</b>	<b>\$ 102,044</b>	<b>\$ 104,300</b>

During the year ended December 31, 2012, the Company paid debt issue costs of approximately \$18,400 primarily related to the issuance of its 5.125% senior notes and the amendment and restatement of its senior secured credit facility. During the year ended December 31, 2013, the Company paid debt issue costs of approximately \$8,300 in connection with the issuance of its 4.875% senior notes during May 2013. The Company also wrote-off debt issue costs of \$7,634 related to the redemption of its 8.625% senior notes during June 2013. See Note 12 for discussion of long term debt activity.

**12. LONG-TERM DEBT**

As of December 31, long-term debt consisted of the following:

	December 31,	
	2012	2013
Cinemark USA, Inc. term loan	\$ 700,000	\$ 693,000
Cinemark USA, Inc. 8.625% senior notes due 2019 <sup>(1)</sup>	461,464	—
Cinemark USA, Inc. 4.875% senior notes due 2023	—	530,000
Cinemark USA, Inc. 5.125% senior notes due 2022	400,000	400,000
Cinemark USA, Inc. 7.375% senior subordinated notes due 2021	200,000	200,000
Other <sup>(2)</sup>	2,546	9,800
<b>Total long-term debt</b>	<b>1,764,010</b>	<b>1,832,800</b>
Less current portion	9,546	9,856
<b>Long-term debt, less current portion</b>	<b>\$ 1,754,464</b>	<b>\$ 1,822,944</b>

<sup>(1)</sup> Included the \$470,000 aggregate principal amount of the 8.625% senior notes net of the unamortized discount of \$8,536 at December 31, 2012.

<sup>(2)</sup> Balance as of December 31, 2013, includes approximately \$8,333 of debt owed to NCM in relation to the recently-formed joint venture AC JV, LLC. See Note 16.

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***4.875% Senior Notes***

On May 24, 2013, Cinemark USA, Inc. issued \$530,000 aggregate principal amount of 4.875% senior notes due 2023, at par value, referred to herein as the 4.875% Senior Notes. Proceeds, after payment of fees, were used to finance a redemption of the 8.625% Senior Notes due 2019 discussed below. Interest on the 4.875% Senior Notes is payable on June 1 and December 1 of each year, beginning December 1, 2013. The 4.875% Senior Notes mature on June 1, 2023. The Company incurred debt issue costs of approximately \$8,300 during the year ended December 31, 2013 in connection with the issuance of the 4.875% Senior Notes.

The 4.875% Senior Notes are fully and unconditionally guaranteed on a joint and several senior unsecured basis by certain of Cinemark USA, Inc.'s subsidiaries that guarantee, assume or become liable with respect to any of Cinemark USA, Inc.'s or a guarantor's debt. The 4.875% Senior Notes and the guarantees are senior unsecured obligations and rank equally in right of payment with all of Cinemark USA, Inc.'s and its guarantor's existing and future senior unsecured debt and senior in right of payment to all of Cinemark USA, Inc.'s and its guarantor's existing and future senior subordinated debt. The 4.875% Senior Notes and the guarantees are effectively subordinated to all of Cinemark USA, Inc.'s and its guarantor's existing and future secured debt to the extent of the value of the assets securing such debt, including all borrowings under Cinemark USA, Inc.'s amended senior secured credit facility. The 4.875% Senior Notes and the guarantees are structurally subordinated to all existing and future debt and other liabilities of Cinemark USA, Inc.'s subsidiaries that do not guarantee the 4.875% Senior Notes.

The indenture to the 4.875% Senior Notes contains covenants that limit, among other things, the ability of Cinemark USA, Inc. and certain of its subsidiaries to (1) make investments or other restricted payments, including paying dividends, making other distributions or repurchasing subordinated debt or equity, (2) incur additional indebtedness and issue preferred stock, (3) enter into transactions with affiliates, (4) enter new lines of business, (5) merge or consolidate with, or sell all or substantially all of its assets to, another person and (6) create liens. As of December 31, 2013, Cinemark USA, Inc. could have distributed up to approximately \$1,451,873 to its parent company and sole stockholder, Cinemark Holdings, Inc., under the terms of the indenture to the 4.875% Senior Notes, subject to its available cash and other borrowing restrictions outlined in the indenture. Upon a change of control, as defined in the indenture governing the 4.875% Senior Notes, Cinemark USA, Inc. would be required to make an offer to repurchase the 4.875% Senior Notes at a price equal to 101% of the aggregate principal amount outstanding plus accrued and unpaid interest, if any, through the date of repurchase. The indenture governing the 4.875% Senior Notes allows Cinemark USA, Inc. to incur additional indebtedness if it satisfies the coverage ratio specified in the indenture, after giving effect to the incurrence of the additional indebtedness, and in certain other circumstances. The required minimum coverage ratio is 2 to 1 and our actual ratio as of December 31, 2013 was approximately 6.4 to 1.

Prior to June 1, 2018, Cinemark USA, Inc. may redeem all or any part of the 4.875% Senior Notes at its option at 100% of the principal amount plus a make-whole premium plus accrued and unpaid interest on the 4.875% Senior Notes to the date of redemption. After June 1, 2018, Cinemark USA, Inc. may redeem the 4.875% Senior Notes in whole or in part at redemption prices specified in the indenture. In addition, prior to June 1, 2016, Cinemark USA, Inc. may redeem up to 35% of the aggregate principal amount of the 4.875% Senior Notes from the net proceeds of certain equity offerings at the redemption price set forth in the indenture.

On June 26, 2013, Cinemark USA, Inc. and its guarantor subsidiaries filed a registration statement with the Securities and Exchange Commission ("SEC") pursuant to which Cinemark USA, Inc. offered to exchange the 4.875% Senior Notes for substantially identical notes registered under the Securities Act of 1933, as amended, that do not contain terms restricting the transfer thereof or providing for registration rights. The registration

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statement was declared effective by the SEC on July 9, 2013. On August 7, 2013, Cinemark USA, Inc. completed the exchange of registered 4.875% Senior Notes for all of the outstanding 4.875% Senior Notes.

***Amended Senior Secured Credit Facility***

On December 18, 2012, Cinemark USA, Inc. amended and restated its senior secured credit facility to include a seven year \$700,000 term loan and a five year \$100,000 revolving credit line, referred to herein as the Amended Senior Secured Credit Facility. The proceeds from the Amended Senior Secured Credit Facility, combined with a portion of the proceeds from the 5.125% Senior Notes discussed below, were used to refinance the Company's Former Senior Secured Credit Facility. The Company incurred debt issue costs of approximately \$12,000 during the year ended December 31, 2012 related to the amendment and restatement. The term loan under the Amended Senior Secured Credit Facility matures in December 2019. The revolving credit line, which was undrawn at closing and remained undrawn as of December 31, 2013, matures in December 2017. Quarterly principal payments in the amount of \$1,750 are due on the term loan beginning March 2013 through September 2019 with the remaining principal of \$652,750 due on December 18, 2019.

Interest on the term loan accrues 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 of 2.0% per annum, or (B) a "eurodollar rate" plus a margin of 3.0% per annum. Interest on the revolving credit line accrues, 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 1.00% to 1.75% per annum, or (B) a "eurodollar rate" plus a margin that ranges from 2.00% to 2.75% per annum. The margin of the revolving credit line is determined by the consolidated net senior secured leverage ratio as defined in the credit agreement.

Cinemark USA, Inc.'s obligations under the Amended Senior Secured Credit Facility are guaranteed by Cinemark Holdings, 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 certain of Cinemark USA, Inc.'s domestic subsidiaries and 65% of the voting stock of certain of its foreign subsidiaries.

The Amended Senior Secured Credit Facility contains usual and customary negative covenants for agreements 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 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, and repurchase stock; and make capital expenditures and investments. If Cinemark USA, Inc. has borrowings outstanding on the revolving credit line, it is required to satisfy a consolidated net senior secured leverage ratio covenant as determined in accordance with the Amended Senior Secured Credit Facility.

The dividend restriction contained in the Amended Senior Secured Credit Facility prevents the Company and any of its subsidiaries from paying a dividend or otherwise distributing cash to its stockholders unless (1) the Company is not in default, and the distribution would not cause the Company to be in default, under the Amended Senior Secured Credit Facility; and (2) the aggregate amount of certain dividends, distributions, investments, redemptions and capital expenditures made since December 18, 2012, including dividends declared by the board of directors, is less than the sum of (a) the aggregate amount of cash and cash equivalents received

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by Cinemark Holdings, Inc. or Cinemark USA, Inc. as common equity since December 18, 2012, (b) Cinemark USA, Inc.'s consolidated EBITDA minus 1.75 times its consolidated interest expense, each as defined in the Amended Senior Secured Credit Facility, and (c) certain other defined amounts. As of December 31, 2013, Cinemark USA, Inc. could have distributed up to approximately \$1,570,113 to its parent company and sole stockholder, Cinemark Holdings, Inc., under the terms of the Amended Senior Secured Credit Facility, subject to its available cash and other borrowing restrictions outlined in the agreement.

At December 31, 2013, there was \$693,000 outstanding under the term loan and no borrowings outstanding under the revolving credit line. Cinemark USA, Inc. had \$100,000 in available borrowing capacity on the revolving credit line. The average interest rate on outstanding term loan borrowings under the Amended Senior Secured Credit Facility at December 31, 2013 was approximately 4.0% per annum.

**5.125% Senior Notes**

On December 18, 2012, Cinemark USA, Inc. issued \$400,000 aggregate principal amount of 5.125% senior notes due 2022, at par value, referred to herein as the 5.125% Senior Notes. A portion of the proceeds were used to refinance a portion of the Former Senior Secured Credit Facility and a portion of the proceeds were used to fund the purchase price for the Rave Acquisition (see Note 5) and for general corporate purposes. Interest on the 5.125% Senior Notes is payable on June 15 and December 15 of each year, beginning June 15, 2013. The senior notes mature on December 15, 2022. The Company incurred debt issue costs of approximately \$6,400 during the year ended December 31, 2012 in connection with the issuance of the 5.125% Senior Notes.

The 5.125% Senior Notes are fully and unconditionally guaranteed on a joint and several senior unsecured basis by certain of Cinemark USA, Inc.'s subsidiaries that guarantee, assume or become liable with respect to any of Cinemark USA, Inc.'s or a guarantor's debt. The 5.125% Senior Notes and the guarantees are senior unsecured obligations and rank equally in right of payment with all of Cinemark USA, Inc.'s and its guarantor's existing and future senior unsecured debt and senior in right of payment to all of Cinemark USA, Inc.'s and its guarantor's existing and future subordinated debt. The 5.125% Senior Notes and the guarantees are effectively subordinated to all of Cinemark USA, Inc.'s and its guarantor's existing and future secured debt to the extent of the value of the assets securing such debt, including all borrowings under Cinemark USA, Inc.'s amended senior secured credit facility. The 5.125% Senior Notes and the guarantees are structurally subordinated to all existing and future debt and other liabilities of Cinemark USA, Inc.'s subsidiaries that do not guarantee the 5.125% Senior Notes.

The indenture to the 5.125% Senior Notes contains covenants that limit, among other things, the ability of Cinemark USA, Inc. and certain of its subsidiaries to (1) make investments or other restricted payments, including paying dividends, making other distributions or repurchasing subordinated debt or equity, (2) incur additional indebtedness and issue preferred stock, (3) enter into transactions with affiliates, (4) enter new lines of business, (5) merge or consolidate with, or sell all or substantially all of its assets to, another person and (6) create liens. As of December 31, 2013, Cinemark USA, Inc. could have distributed up to approximately \$1,454,115 to its parent company and sole stockholder, Cinemark Holdings, Inc., under the terms of the indenture to the 5.125% Senior Notes, subject to its available cash and other borrowing restrictions outlined in the indenture. Upon a change of control of Cinemark Holdings, Inc. or Cinemark USA, Inc., Cinemark USA, Inc. would be required to make an offer to repurchase the 5.125% Senior Notes at a price equal to 101% of the aggregate principal amount outstanding plus accrued and unpaid interest, if any, through the date of repurchase. The indenture governing the 5.125% Senior Notes allows Cinemark USA, Inc. to incur additional indebtedness if it satisfies the coverage ratio specified in the indenture, after giving effect to the incurrence of the additional indebtedness, and in certain other circumstances. The required minimum coverage ratio is 2 to 1 and our actual ratio as of December 31, 2013 was 6.6 to 1.

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Prior to December 15, 2017, Cinemark USA, Inc. may redeem all or any part of the 5.125% Senior Notes at its option at 100% of the principal amount plus a make-whole premium. After December 15, 2017, Cinemark USA, Inc. may redeem the 5.125% Senior Notes in whole or in part at redemption prices described in the 5.125% Senior Notes. In addition, Cinemark USA, Inc. may redeem up to 35% of the aggregate principal amount of the 5.125% Senior Notes from the net proceeds of certain equity offerings at the redemption price set forth in the senior notes.

On April 16, 2013, Cinemark USA, Inc. and its guarantor subsidiaries filed a registration statement with the SEC, pursuant to which Cinemark USA, Inc. offered to exchange the 5.125% Senior Notes for substantially identical notes registered under the Securities Act. The registration statement was declared effective by the SEC on April 25, 2013. On May 23, 2013 Cinemark USA, Inc. completed the exchange of registered 5.125% Senior Notes for all of the outstanding 5.125% Senior Notes.

***7.375% Senior Subordinated Notes***

On June 3, 2011, Cinemark USA, Inc. issued \$200,000 aggregate principal amount of 7.375% senior subordinated notes due 2021, at par value, referred to herein as the Senior Subordinated Notes. The proceeds, after payment of fees, were primarily used to fund the prepayment of the remaining \$157,235 of the Company's unextended portion of term loan debt under its former senior secured credit facility. Interest on the Senior Subordinated Notes is payable on June 15 and December 15 of each year. The Senior Subordinated Notes mature on June 15, 2021. The Company incurred debt issue costs of approximately \$4,500 during the year ended December 31, 2011 in connection with the issuance of the Senior Subordinated Notes.

The Senior Subordinated Notes are fully and unconditionally guaranteed on a joint and several senior subordinated unsecured basis by certain of the Company's subsidiaries that guarantee, assume or become liable with respect to any of the Company's or a guarantor's other debt. The Senior Subordinated Notes and the guarantees are senior subordinated unsecured obligations and rank equally in right of payment with all of the Company's and a guarantor's future senior subordinated indebtedness; are subordinate in right of payment to all of the Company's and a guarantor's existing and future senior indebtedness, whether secured or unsecured, including the Company's obligations under its Amended Senior Secured Credit Facility, its 8.625% Senior Notes and its 5.125% Senior Notes; and structurally subordinate to all existing and future indebtedness and other liabilities of the Company's non-guarantor subsidiaries.

The indenture to the Senior Subordinated Notes contains covenants that limit, among other things, the ability of Cinemark USA, Inc. and certain of its subsidiaries to (1) make investments or other restricted payments, including paying dividends, making other distributions or repurchasing subordinated debt or equity, (2) incur additional indebtedness and issue preferred stock, (3) enter into transactions with affiliates, (4) enter new lines of business, (5) merge or consolidate with, or sell all or substantially all of its assets to, another person and (6) create liens. As of December 31, 2013, Cinemark USA, Inc. could have distributed up to approximately \$1,445,517 to its parent company and sole stockholder, Cinemark Holdings, Inc., under the terms of the indenture to the 7.375% Senior Notes, subject to its available cash and other borrowing restrictions outlined in the indenture. Upon a change of control, as defined in the indenture, the Company would be required to make an offer to repurchase the senior subordinated notes at a price equal to 101% of the aggregate principal amount outstanding plus accrued and unpaid interest, if any, through the date of repurchase. The indenture governing the Senior Subordinated Notes allows Cinemark USA, Inc. to incur additional indebtedness if it satisfies the coverage ratio specified in the indenture, after giving effect to the incurrence of the additional indebtedness, and in certain other circumstances. The required minimum coverage ratio is 2 to 1, and our actual ratio as of December 31, 2013 was 6.4 to 1.

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Prior to June 15, 2016, Cinemark USA, Inc. may redeem all or any part of the Senior Subordinated Notes at its option at 100% of the principal amount plus a make-whole premium plus accrued and unpaid interest on the senior subordinated notes to the date of redemption. After June 15, 2016, Cinemark USA, Inc. may redeem the Senior Subordinated Notes in whole or in part at redemption prices specified in the indenture. In addition, prior to June 15, 2014, Cinemark USA, Inc. may redeem up to 35% of the aggregate principal amount of the Senior Subordinated Notes from the net proceeds of certain equity offerings at the redemption price set forth in the indenture.

Cinemark USA, Inc. and its guarantor subsidiaries filed a registration statement with the Securities and Exchange Commission (the "Commission") on July 27, 2011 pursuant to which Cinemark USA, Inc. offered to exchange the Senior Subordinated Notes for substantially similar registered Senior Subordinated Notes. The registration statement became effective August 4, 2011, and approximately \$199,500 of the notes were exchanged on September 7, 2011. The registered Senior Subordinated Notes, issued in the exchange, do not have transfer restrictions. Approximately \$500 of the notes were not exchanged as of December 31, 2013.

***8.625% Senior Notes***

On June 29, 2009, Cinemark USA, Inc. issued \$470,000 aggregate principal amount of 8.625% senior notes due 2019 (the "8.625% Senior Notes"), with an original issue discount of \$11,468, resulting in proceeds of approximately \$458,532. The proceeds were primarily used to fund the repurchase of the then remaining outstanding \$419,403 aggregate principal amount at maturity of Cinemark, Inc.'s 9.75% senior discount notes.

On June 24, 2013, Cinemark USA, Inc. redeemed its 8.625% Senior Notes at 112.035% of the principal amount, inclusive of a make-whole premium, plus accrued and unpaid interest, utilizing the proceeds from the issuance of the 4.875% Senior Notes discussed above. As a result of the redemption, the Company wrote-off approximately \$8,054 in unamortized bond discount and \$7,634 in unamortized debt issue costs, paid a make-whole premium of approximately \$56,564 and paid other fees of \$50, all of which are reflected in loss on early retirement of debt during the year ended December 31, 2013.

***Fair Value of Long Term Debt***

The Company estimates the fair value of its long-term debt primarily using quoted market prices, which fall under Level 2 of the U.S. GAAP fair value hierarchy as defined by FASB ASC Topic 820-10-35. The carrying value of the Company's long term debt was \$1,832,800 and \$1,764,010 as of December 31, 2013 and 2012, respectively. The fair value of the Company's long term debt was \$1,815,879 and \$1,851,246 as of December 31, 2013 and 2012, respectively.

***Covenant Compliance and Debt Maturity***

As of December 31, 2013, the Company believes it was in full compliance with all agreements, including related covenants, governing its outstanding debt.

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The Company's long-term debt at December 31, 2013 matures as follows:

2014	\$ 9,856
2015	8,389
2016	8,389
2017	8,389
2018	8,389
Thereafter	1,789,388
<b>Total</b>	<b>\$ 1,832,800</b>

**13. INTEREST RATE SWAP AGREEMENTS**

The Company is currently a party to three interest rate swap agreements that are used to hedge interest rate risk associated with the variable interest rates on the Company's term loan debt and qualify for cash flow hedge accounting. The fair values of the interest rate swaps are recorded on the Company's consolidated balance sheet as an asset or liability with the effective portion of the interest rate swaps' gains or losses reported as a component of accumulated other comprehensive loss and the ineffective portion reported in earnings. The changes in fair values are reclassified from accumulated other comprehensive loss into earnings in the same period that the hedged items affect earnings.

The valuation technique used to determine fair value is the income approach and under this approach, the Company uses projected future interest rates as provided by counterparties to the interest rate swap agreements and the fixed rates that the Company is obligated to pay under these agreements. Therefore, the Company's measurements use significant unobservable inputs, which fall in Level 3 of the U.S. GAAP hierarchy as defined by FASB ASC Topic 820-10-35. There were no changes in valuation techniques during the period and no transfers in or out of Level 3. See Note 14 for a summary of unrealized gains or losses recorded in accumulated other comprehensive loss and earnings.

Below is a summary of the Company's interest rate swap agreements, all of which are designated as cash flow hedges, as of December 31, 2013:

Nominal Amount	Effective Date	Pay Rate	Receive Rate	Expiration Date	Current Liability <sup>(1)</sup>	Long-Term Liability <sup>(2)</sup>	Estimated Total Fair Value at December 31, 2013
\$175,000	December 2010	1.3975%	1-Month LIBOR	September 2015	\$ 1,943	\$ 1,195	\$ 3,138
\$175,000	December 2010	1.4000%	1-Month LIBOR	September 2015	1,984	1,228	3,212
\$100,000	November 2011	1.7150%	1-Month LIBOR	April 2016	1,440	1,386	2,826
<b>\$450,000</b>					<b>\$ 5,367</b>	<b>\$ 3,809</b>	<b>\$ 9,176</b>

<sup>(1)</sup> Included in accrued other current liabilities on the consolidated balance sheet as of December 31, 2013.

<sup>(2)</sup> Included in other long-term liabilities on the consolidated balance sheet as of December 31, 2013.

The Company was previously a party to an interest rate swap agreement that was effective during 2007 with a counterparty that filed for bankruptcy during September 2008 and whose credit rating was downgraded as a result. Prior to the counterparty's credit rating downgrade, the change in fair value of the interest rate swap was

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recorded as a component of accumulated other comprehensive loss. Subsequent to the counterparty's credit rating downgrade, the change in fair value of the interest rate swap was recorded in earnings as a component of interest expense. The Company terminated the interest rate swap agreement during October 2008. The Company determined that the forecasted transactions hedged by this interest rate swap are still probable to occur, thus the total amount previously reported in accumulated other comprehensive loss related to this interest rate swap agreement of \$18,147 was amortized on a straight-line basis to interest expense over the period during which the forecasted transactions were expected to occur, which was September 15, 2008 through August 13, 2012. The Company amortized approximately \$4,236 and \$2,470 to interest expense during the years ended December 31, 2011 and 2012, respectively.

The changes in accumulated other comprehensive loss, net of taxes, related to the Company's interest rate swap agreements for the years ended December 31, 2011, 2012 and 2013 were as follows:

	Interest Rate Swap Liabilities		
	2011	2012	2013
Beginning balances — January 1	\$(11,726)	\$(12,357)	\$(8,867)
Other comprehensive loss before reclassifications, net of taxes	(18,759)	(11,959)	(2,668)
Amounts reclassified from accumulated other comprehensive loss to interest expense	20,165	15,449	5,819
Net other comprehensive income (loss)	1,406	3,490	3,151
Loss included in earnings	(2,037)	—	—
Ending balances — December 31	<u>\$(12,357)</u>	<u>\$(8,867)</u>	<u>\$(5,716)</u>

**14. FAIR VALUE MEASUREMENTS**

The Company determines fair value measurements in accordance with FASB ASC Topic 820, which establishes a fair value hierarchy under which an asset or liability is categorized based on the lowest level of input significant to its fair value measurement. The levels of input defined by FASB ASC Topic 820 are as follows:

- Level 1 — quoted market prices in active markets for identical assets or liabilities that are accessible at the measurement date;
- Level 2 — other than quoted market prices included in Level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3 — unobservable and should be used to measure fair value to the extent that observable inputs are not available.

Below is a summary of assets and liabilities measured at fair value on a recurring basis by the Company under FASB ASC Topic 820 as of December 31, 2013:

Description	Carrying Value	Fair Value		
		Level 1	Level 2	Level 3
Interest rate swap liabilities — current (see Note 13)	\$ (5,367)	\$ —	\$ —	\$(5,367)
Interest rate swap liabilities — long term (see Note 13)	\$ (3,809)	\$ —	\$ —	\$(3,809)
Investment in RealD (see Note 8)	\$10,443	\$10,443	\$ —	\$ —

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Below is a summary of assets and liabilities measured at fair value on a recurring basis by the Company under FASB ASC Topic 820 as of December 31, 2012:

Description	Carrying Value	Fair Value		
		Level 1	Level 2	Level 3
Interest rate swap liabilities — current (see Note 13)	\$ (5,503)	\$ —	\$ —	\$ (5,503)
Interest rate swap liabilities — long term (see Note 13)	\$ (8,689)	\$ —	\$ —	\$ (8,689)
Investment in RealD (see Note 8)	\$13,707	\$13,707	\$ —	\$ —

Below is a reconciliation of the beginning and ending balance for liabilities measured at fair value on a recurring basis using significant unobservable inputs (Level 3):

	Liabilities	
	2013	2012
Beginning balances — January 1	\$14,192	\$ 16,576
Total loss included in accumulated other comprehensive loss	803	11,403
Total gain included in earnings	—	(808)
Settlements	(5,819)	(12,979)
Ending balances — December 31	<u>\$ 9,176</u>	<u>\$ 14,192</u>

The Company also uses the income approach for fair value measurements on a nonrecurring basis in the impairment evaluations of its long-lived assets (see Note 9 and Note 10). Additionally, the Company uses the market approach to estimate the fair value of its long-term debt (see Note 12). There were no changes in valuation techniques during the period. There were no transfers in or out of Level 1, Level 2 or Level 3 during the years ended December 31, 2012 and 2013.

**15. FOREIGN CURRENCY TRANSLATION**

The accumulated other comprehensive loss account in stockholders' equity of \$37,698 and \$81,819 at December 31, 2012 and 2013, respectively, includes the cumulative foreign currency losses of \$31,330 and \$78,947, respectively, from translating the financial statements of the Company's international subsidiaries, the change in fair values of the Company's interest rate swap agreements that are designated as hedges and the change in fair value of the Company's available-for-sale securities.

All foreign countries where the Company has operations are non-highly inflationary and the local currency is the same as the functional currency in all of the locations. Thus, any fluctuation in the currency results in a cumulative foreign currency translation adjustment recorded to accumulated other comprehensive loss.

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Below is a summary of the impact of translating the December 31, 2013 financial statements of certain of the Company's international subsidiaries:

<u>Country</u>	<u>Exchange Rate as of</u>		<u>Total Assets at December 31, 2013</u>	<u>Other Comprehensive Income (Loss) for The Year Ended December 31, 2013</u>
	<u>December 31, 2013</u>	<u>December 31, 2012</u>		
Brazil	2.36	2.05	\$ 336,197	\$ (34,451)
Argentina	6.52	4.91	\$ 114,483	(24,845)
Colombia	1,926.83	1,768.23	\$ 56,377	(2,969)
Peru	2.84	2.56	\$ 40,599	(3,685)
All other				(3,755)
Sale of Mexico subsidiary				22,088
				<u>\$ (47,617)</u>

Below is a summary of the impact of translating the December 31, 2012 financial statements of certain of the Company's international subsidiaries:

<u>Country</u>	<u>Exchange Rate as of</u>		<u>Total Assets at December 31, 2012</u>	<u>Other Comprehensive Income (Loss) For Year Ended December 31, 2012</u>
	<u>December 31, 2012</u>	<u>December 31, 2011</u>		
Brazil	2.05	1.87	\$ 348,405	\$ (21,690)
Mexico	13.02	14.00	\$ 137,705	6,601
Argentina	4.91	4.31	\$ 133,152	(12,926)
Colombia	1,768.23	1,950.0	\$ 46,898	2,790
Chile	479.8	520.7	\$ 49,749	2,958
All other				2,262
				<u>\$ (20,005)</u>

Below is a summary of the impact of translating the December 31, 2011 financial statements of certain of the Company's international subsidiaries:

<u>Country</u>	<u>Exchange Rate as of</u>		<u>Total Assets at December 31, 2011</u>	<u>Other Comprehensive Income (Loss) For Year Ended December 31, 2011</u>
	<u>December 31, 2011</u>	<u>December 31, 2010</u>		
Brazil	1.87	1.67	\$ 348,405	\$ (28,000)
Mexico	14.00	12.39	\$ 137,705	(11,818)
Argentina	4.31	3.98	\$ 133,152	(4,196)
Colombia	1,950.0	2,004.1	\$ 46,898	153
Chile	520.7	473.2	\$ 49,749	(3,324)
All other				1,127
				<u>\$ (46,058)</u>

During May 2011, the Company's ownership in its Chilean subsidiary increased from 97.4% to 100% as a result of the Company's purchase of the noncontrolling interests' shares of Cinemark Chile. As part of this

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transaction, the Company recorded the amount of accumulated other comprehensive loss previously allocated to the noncontrolling interest of \$485, related to the translation of the Chilean financial statements into U.S. dollars, as an increase to accumulated other comprehensive loss with an offsetting decrease to additional paid-in-capital. See Note 17.

During November 2013, the Company completed the sale of certain of its Mexico subsidiaries that owned its Mexico theatres. As a result of this sale, the accumulated other comprehensive loss previously recorded for these Mexico subsidiaries of \$22,088 was written off by the Company. See Note 5 for additional information.

**16. INVESTMENTS IN AND ADVANCES TO AFFILIATES**

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

	<u>2012</u>	<u>2013</u>
Digital Cinema Implementation Partners (see Note 7)	\$23,012	\$38,033
RealD (see Note 8)	13,707	10,443
AC JV, LLC — equity method investment, 32% interest	—	6,426
Digital Cinema Distribution Coalition — equity method investment, 14.6% interest	5	2,589
Cinemark — Core Pacific, Ltd. (Taiwan) — cost method investment, 14% interest	1,383	1,383
Other	94	783
<b>Total</b>	<u>\$38,201</u>	<u>\$59,657</u>

During December 2013, the Company, Regal and AMC (collectively the “Founding Members”) and NCM entered into a series of agreements that resulted in the formation of a new joint venture that now owns the “Fathom Events” division (consisting of Fathom Events and Fathom Consumer Events) formerly operated by NCM. The Fathom Events business focuses on the marketing and distribution of live and pre-recorded entertainment programming to various theatre operators to provide additional programs to augment their feature film schedule. The Fathom Consumer Events business includes live and pre-recorded concerts featuring contemporary music, opera and symphony, DVD product releases and marketing events, theatrical premieres, Broadway plays, live sporting events and other special events. The joint venture, AC JV, LLC (“AC”), was formed by the Founding Members and NCM. NCM, under a contribution agreement, contributed the assets associated with its Fathom Events division to AC in exchange for 97% ownership of the Class A Units of AC. Under a separate contribution agreement, the Founding Members each contributed cash of approximately \$269 to AC in exchange for 1% of the Class A Units of AC. Subsequently, NCM and the Founding Members entered into a Membership Interest Purchase Agreement, under which NCM sold each of the Founding Members 31% of its Class A Units in AC, the aggregate value of which was determined to be \$25,000, in exchange for a six-year Promissory Note. Each of the Founding Members’ Promissory Notes are for \$8,333 and bear interest at 5% per annum and requires annual principal and interest payments, with the first of such payments due on December 26, 2014. As a result of the sale of Class A Units to the Founding Members, NCM recorded a gain (the “Fathom Gain”) during its 2013 fiscal year. Since the Fathom Gain was due to a transaction in which the Company was a counter party, the Company has deferred its portion of the equity earnings in NCM related to the Fathom Gain for the year ended December 31, 2013 of \$2,175, by recording this amount as a reduction in its investment basis in AC.

The Company is a party to a joint venture with certain exhibitors and distributors called Digital Cinema Distribution Coalition (“DCDC”). DCDC is in the process of establishing a satellite distribution network that distributes all digital content to theatres via satellite. The Company has an approximate 14.6% ownership in DCDC.

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**17. NONCONTROLLING INTERESTS IN SUBSIDIARIES**

Noncontrolling interests in subsidiaries of the Company were as follows at December 31:

	December 31,	
	2012	2013
Cinemark Partners II — 37.2% interest (in one theatre)	\$ 7,701	\$7,467
Laredo Theatres — 25% interest (in two theatres)	913	520
Greeley Ltd. — 49.0% interest (in one theatre)	622	555
Others	1,683	453
<b>Total</b>	<b><u>\$10,919</u></b>	<b><u>\$8,995</u></b>

During May 2011, the Company purchased its Chilean partners' 2.6% share of Cinemark Chile S.A. ("Cinemark Chile") for approximately \$1,443 in cash. The increase in the Company's ownership interest in its Chilean subsidiary was accounted for as an equity transaction in accordance with ASC Topic 810-10-45-23. The Company recorded a decrease in additional paid-in-capital of approximately \$1,402, which represented the difference between the cash paid and the book value of the Chilean partners' noncontrolling interest account of approximately \$917, plus the Chilean partners' share of accumulated other comprehensive loss of approximately \$485. As a result of this transaction, the Company owns 100% of the shares in Cinemark Chile.

During August 2013, the Company purchased the 49.9% noncontrolling interest share of one of its Brazilian subsidiaries, Adamark Cinemas S.A. ("Adamark"), for approximately \$5,621 in cash. Adamark owns two of the Company's Brazilian theatres. The increase in the Company's ownership interest in the Brazilian subsidiary was accounted for as an equity transaction in accordance with ASC Topic 810-10-45-23. The Company recorded a decrease in additional paid-in-capital of approximately \$4,618, which represented the difference between the cash paid and the book value of the Brazilian subsidiary's noncontrolling interest account. As a result of this transaction, the Company owns 100% of the shares in Adamark.

Below is a summary of the impact of changes in the Company's ownership interest in its subsidiaries on its equity:

	Year ended December 31,		
	2011	2012	2013
Net income attributable to Cinemark Holdings, Inc.	\$ 130,557	\$ 168,949	\$ 148,470
Transfers from noncontrolling interests			
Decrease in Cinemark Holdings, Inc. additional paid-in-capital for the buyout of Chile noncontrolling interests	(1,402)	—	—
Decrease in Cinemark Holdings, Inc. additional paid-in-capital for the buyout of Adamark non-controlling interest	—	—	(4,618)
Net transfers from non-controlling interests	<u>(1,402)</u>	<u>—</u>	<u>(4,618)</u>
Change from net income attributable to Cinemark Holdings, Inc. and transfers from noncontrolling interests	<u>\$ 129,155</u>	<u>\$ 168,949</u>	<u>\$ 143,852</u>

**18. CAPITAL STOCK**

*Common Stock* — Common stockholders are entitled to vote on all matters submitted to a vote of the Company's stockholders. Subject to the rights of holders of any then outstanding shares of the Company's

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preferred stock, the Company's common stockholders are entitled to any dividends that may be declared by the board of directors. The shares of the Company's common stock are not subject to any redemption provisions. The Company has no issued and outstanding shares of preferred stock.

The Company's ability to pay dividends is effectively limited by its status as a holding company and the terms of its subsidiary's indentures and amended senior secured credit facility, which also significantly restricts the ability of certain of the Company's subsidiaries to pay dividends directly or indirectly to the Company. See Note 12. Furthermore, certain of the Company's foreign subsidiaries currently have a deficit in retained earnings which prevents the Company from declaring and paying dividends from those subsidiaries.

*Treasury Stock* — Treasury stock represents shares of common stock repurchased by the Company and not yet retired. The Company has applied the cost method in recording its treasury shares.

Below is a summary of the Company's treasury stock activity for the years ended December 31, 2012 and 2013:

	Number of Treasury Shares	Cost
Balance at January 1, 2012	3,391,592	\$ 45,219
Restricted stock forfeitures <sup>(1)</sup>	14,423	—
Restricted stock withholdings <sup>(2)</sup>	147,070	3,263
Balance at December 31, 2012	3,553,085	\$ 48,482
Restricted stock forfeitures <sup>(1)</sup>	22,653	—
Restricted stock withholdings <sup>(2)</sup>	119,197	3,464
Balance at December 31, 2013	3,694,935	\$ 51,946

<sup>(1)</sup> The Company repurchased forfeited and canceled restricted shares at a cost of \$0.001 per share in accordance with the Company's Amended and Restated 2006 Long Term Incentive Plan.

<sup>(2)</sup> The Company withheld restricted shares as a result of the election by certain employees to satisfy their tax liabilities upon vesting in restricted stock. The Company determined the number of shares to be withheld based upon market values that ranged from \$22.40 to \$30.23 per share.

As of December 31, 2013, the Company had no plans to retire any shares of treasury stock.

*Stock Options* — Below is a summary of stock option activity and related information for the years ended December 31, 2011, 2012 and 2013:

	Year Ended December 31, 2011		Year Ended December 31, 2012		Year Ended December 31, 2013		Aggregate Intrinsic Value
	Shares	Weighted Average Exercise Price	Shares	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price	
Outstanding at January 1	140,356	\$ 7.63	82,166	\$ 7.63	22,022	\$ 7.63	
Exercised	(58,190)	\$ 7.63	(60,144)	\$ 7.63	(7,438)	\$ 7.63	
Outstanding at December 31	82,166	\$ 7.63	22,022	\$ 7.63	14,584	\$ 7.63	\$ 375
Vested options at December 31	82,166	\$ 7.63	22,022	\$ 7.63	14,584	\$ 7.63	\$ 375

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All outstanding stock options were fully vested as of April 2, 2009. There were no options granted or forfeited during any of the periods presented. The total intrinsic value of options exercised during the years ended December 31, 2011, 2012 and 2013, was \$699, \$1,070 and \$168, respectively. The Company recognized tax benefits of approximately \$238, \$449 and \$71 related to the options exercised during the year ended December 31, 2011, 2012 and 2013, respectively. All options outstanding at December 31, 2013 have a remaining contractual life of approximately nine months.

*Restricted Stock* — Below is a summary of restricted stock activity for the years ended December 31, 2011, 2012 and 2013:

	Year Ended December 31, 2011		Year Ended December 31, 2012		Year Ended December 31, 2013	
	Shares	Weighted Average Exercise Price	Shares	Weighted Average Exercise Price	Shares of Restricted Stock	Weighted Average Grant Date Fair Value
Outstanding at January 1	1,254,691	\$ 14.60	1,384,390	\$ 16.85	1,534,163	\$ 18.85
Granted	424,436	\$ 19.45	653,229	\$ 21.70	271,532	\$ 30.09
Vested	(288,204)	\$ 10.84	(489,033)	\$ 17.00	(522,129)	\$ 17.27
Canceled	(4,613)	\$ 18.35	—	\$ —	—	\$ —
Forfeited	(1,920)	\$ 14.34	(14,423)	\$ 18.58	(22,653)	\$ 22.92
Outstanding at December 31	1,384,390	\$ 16.85	1,534,163	\$ 18.85	1,260,913	\$ 21.86

During the year ended December 31, 2013, the Company granted 271,532 shares of restricted stock to directors and employees of the Company. The fair value of the restricted stock granted was determined based on the market value of the Company's common stock on the date of grant, which ranged from \$27.92 to \$33.74 per share. The Company assumed forfeiture rates ranging from 0% to 5% for the restricted stock awards. Restricted stock granted to directors vests over a one-year period. Certain of the restricted stock granted to employees vests over three years based on continued service and certain of the restricted stock granted to employees vests over four years based on continued service. Certain awards were granted during November 2013 in conjunction with the sale of the Company's Mexico theatres and vested immediately upon closing of the transaction. 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.

The Company recorded total compensation expense of \$6,591, \$10,637 and \$12,738 related to restricted stock awards during the years ended December 31, 2011, 2012 and 2013, respectively. Upon vesting of certain of the awards to employees, the Company receives an income tax deduction. The total fair value of shares vested during the years ended December 31, 2011, 2012 and 2013 was \$5,658, \$9,702 and \$10,161, respectively. The Company recognized tax benefits of approximately \$2,188, \$4,075 and \$4,268, related to shares that vested during the years ended December 2011, 2012 and 2013, respectively.

As of December 31, 2013, the remaining unrecognized compensation expense related to these restricted stock awards was approximately \$14,395. The weighted average period over which this remaining compensation expense will be recognized is approximately two years.

*Restricted Stock Units* — During the years ended December 31, 2011, 2012 and 2013, the Company granted restricted stock units representing 153,727, 152,955 and 115,107 hypothetical shares of common stock, respectively, to employees. The restricted stock units vest based on a combination of financial performance

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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 a three fiscal year period 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 and vest on a prorata basis according to the IRR achieved by the Company during the performance period. If the IRR for the three year period is at least 8.5%, which is the threshold, at least 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, at least 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, at least 100% of the restricted stock units vest. Further, as an example, if the Company achieves an IRR equal to 11.5%, the number of restricted stock units that shall vest will be greater than the target but less than the maximum number that would have vested had the Company achieved the highest IRR. All payouts of restricted stock units that vest will be 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. At the time of each of the restricted stock unit grants, the Company was not able to determine which IRR level would be reached for the respective three year performance period, therefore the Company assumed the mid-point IRR level for these grants in determining the amount of compensation expense to record for such grants. The fair values of the restricted stock unit awards granted were determined based on the market values of the Company’s common stock on the dates of grant, which ranged from \$19.35 to \$29.44 per share. The Company assumed forfeiture rates ranging from 0% to 5% for the restricted stock unit awards. Restricted stock unit award participants are eligible to receive dividend equivalent payments if and at the time the restricted stock unit awards vest.

Below is a table summarizing the potential number of shares that could vest under restricted stock unit awards granted during the years ended December 31, 2011, 2012 and 2013 at each of the three levels of financial performance (excluding forfeitures):

	<b>Granted During the Year Ended December 31,</b>					
	<b>2011</b>		<b>2012</b>		<b>2013</b>	
	<b>Number of Shares Vesting</b>	<b>Value at Grant</b>	<b>Number of Shares Vesting</b>	<b>Value at Grant</b>	<b>Number of Shares Vesting</b>	<b>Value at Grant</b>
at IRR of at least 8.5%	51,239	\$ 991	50,981	\$ 1,103	38,366	\$ 1,129
at IRR of at least 10.5%	102,488	\$ 1,983	101,974	\$ 2,206	76,741	\$ 2,259
at IRR of at least 12.5%	153,727	\$ 2,975	152,955	\$ 3,308	115,107	\$ 3,389

During the year ended December 31, 2012, 196,051 restricted stock unit awards vested. Upon vesting, each restricted stock unit was converted into one share of the Company’s common stock. In addition, the Company paid approximately \$600 in dividends on the vested restricted stock units, which represented dividends that had accumulated on the awards since they were granted in 2008. The fair value of the restricted stock unit awards that vested during the year ended December 31, 2012 was approximately \$4,400. The Company recognized a tax benefit of approximately \$1,848 during the year ended December 31, 2012 related to these vested awards. There were no forfeitures of restricted stock unit awards during the year ended December 31, 2012.

During the year ended December 31, 2013, 11,498 restricted stock unit awards were forfeited. During the year ended December 31, 2013, 295,751 restricted stock unit awards vested. Upon vesting, each restricted stock unit was converted into one share of the Company’s common stock. In addition, the Company paid approximately \$939 in dividends on the vested restricted stock units, which represented dividends that had accumulated on the awards since they were granted. The fair value of the restricted stock unit awards that vested

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during the year ended December 31, 2013 was approximately \$8,723. The Company recognized a tax benefit of approximately \$3,663 during the year ended December 31, 2013 related to these vested awards.

The Company recorded total compensation expense of \$3,101, \$4,433 and \$4,148 related to these restricted stock unit awards during the years ended December 31, 2011, 2012 and 2013, respectively. As of December 31, 2013, the Company had restricted stock units outstanding that represented a total of 802,529 hypothetical shares of common stock, net of actual cumulative forfeitures of 11,498 units, assuming the maximum IRR of at least 12.5% is achieved for all of the outstanding restricted stock unit awards. As of December 31, 2013, the remaining unrecognized compensation expense related to the outstanding restricted stock unit awards was \$4,048, which assumes the high-point IRR level will be achieved for the 2010 and 2011 grants and the mid-point IRR level will be achieved for the 2012 and 2013 grants. The weighted average period over which this remaining compensation expense will be recognized is approximately one year.

**19. SUPPLEMENTAL CASH FLOW INFORMATION**

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

	Year Ended December 31,		
	2011	2012	2013
Cash paid for interest	\$113,084	\$117,172	\$116,890
Cash paid for income taxes, net of refunds received	\$ 29,106	\$ 89,034	\$136,124
Noncash investing and financing activities:			
Change in accounts payable and accrued expenses for the acquisition of theatre properties and equipment <sup>(1)</sup>	\$ 7,349	\$ (13,827)	\$ 7,325
Theatre properties and equipment acquired under capital lease	\$ 6,696	\$ 18,754	\$ 69,541
Change in fair market values of interest rate swap agreements, net of taxes	\$ 4,867	\$ 1,827	\$ 3,151
Investment in NCM — receipt of common units (See Note 6)	\$ 9,302	\$ 9,137	\$ 98,797
Dividends accrued on unvested restricted stock unit awards	\$ (684)	\$ (894)	\$ (772)
Investment in RealD (See Note 8)	\$ 3,402	\$ —	\$ —
Investment in AC JV, LLC (see Note 16)	\$ —	\$ —	\$ 8,333
Issuance of promissory note related to investment in AC JV, LLC (see Note 16)	\$ —	\$ —	\$ (8,333)
Change in fair market value of available-for-sale securities, net of taxes (See Note 8)	\$ (13,566)	\$ 2,499	\$ (2,042)

<sup>(1)</sup> Additions to theatre properties and equipment included in accounts payable as of December 31, 2012 and 2013 were \$4,685 and \$12,010, respectively.

**20. INCOME TAXES**

Income before income taxes consisted of the following:

	Year Ended December 31,		
	2011	2012	2013
Income before income taxes:			
U.S.	\$ 114,692	\$ 183,207	\$ 162,687
Foreign	90,940	113,611	101,177
Total	<u>\$ 205,632</u>	<u>\$ 296,818</u>	<u>\$ 263,864</u>

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Current and deferred income taxes were as follows:

	Year Ended December 31,		
	2011	2012	2013
Current:			
Federal	\$17,070	\$ 55,399	\$ 97,467
Foreign	26,830	53,964	42,690
State	7,099	8,494	10,951
Total current expense	<u>50,999</u>	<u>117,857</u>	<u>151,108</u>
Deferred:			
Federal	22,100	12,096	(30,833)
Foreign	(2,332)	(6,007)	2,653
State	2,283	1,452	(9,612)
Total deferred taxes	<u>22,051</u>	<u>7,541</u>	<u>(37,792)</u>
Income taxes	<u>\$73,050</u>	<u>\$125,398</u>	<u>\$113,316</u>

A reconciliation between income tax expense and taxes computed by applying the applicable statutory federal income tax rate to income before income taxes follows:

	Year Ended December 31,		
	2011	2012	2013
Computed normal tax expense	\$71,972	\$103,886	\$ 92,353
Foreign inflation adjustments	(1,587)	(33)	67
State and local income taxes, net of federal income tax impact	7,310	7,456	789
Foreign losses not benefited and other changes in valuation allowance	(676)	(711)	(2,052)
Foreign tax rate differential	(3,321)	(1,545)	(336)
Foreign dividends	4,173	10,576	3,294
Sale of Mexican subsidiaries	—	—	21,406
Changes in uncertain tax positions	396	13,729	(2,024)
Other — net	(5,217)	(7,960)	(181)
Income taxes	<u>\$73,050</u>	<u>\$125,398</u>	<u>\$113,316</u>

The Company reinvests the undistributed earnings of its foreign subsidiaries, with the exception of its subsidiaries in Ecuador and Mexico. Accordingly, deferred U.S. federal and state income taxes are provided only on the undistributed earnings of the Company's subsidiaries in Ecuador and Mexico. As of December 31, 2013, the cumulative amount of undistributed earnings of the foreign subsidiaries on which the Company has not recognized income taxes was approximately \$299,000. Determination of the amount of any unrecognized deferred income tax liability on this temporary difference is not practicable because of the complexities of the hypothetical calculation.

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*Deferred Income Taxes*

The tax effects of significant temporary differences and tax loss and tax credit carryforwards comprising the net long-term deferred income tax liabilities as of December 31, 2012 and 2013 consisted of the following:

	December 31,	
	2012	2013
Deferred liabilities:		
Theatre properties and equipment	\$ 96,733	\$ 126,794
Deferred intercompany sales	14,551	12,398
Intangible asset — other	23,944	25,761
Intangible asset — tradenames	115,939	122,129
Investment in partnerships	113,199	113,038
Total deferred liabilities	<u>364,366</u>	<u>400,120</u>
Deferred assets:		
Deferred lease expenses	27,255	27,811
Theatre properties and equipment	5,884	—
Deferred revenue—NCM and Fandango	90,972	124,408
Capital lease obligations	54,551	79,064
Interest rate swap agreements	3,825	3,183
Tax loss carryforwards	7,700	7,653
Alternative minimum tax and other credit carryforwards	6,405	20,725
Other expenses, not currently deductible for tax purposes	30,724	33,307
Total deferred assets	<u>227,316</u>	<u>296,151</u>
Net deferred income tax liability before valuation allowance	137,050	103,969
Valuation allowance against deferred assets	13,326	25,711
Net deferred income tax liability	<u>\$ 150,376</u>	<u>\$ 129,680</u>
Net deferred tax liability — Foreign	\$ 2,488	\$ 21,729
Net deferred tax liability — U.S.	147,888	107,951
Total	<u>\$ 150,376</u>	<u>\$ 129,680</u>

The Company's foreign tax credit carryforwards begin expiring in 2015. Some foreign net operating losses will expire in the next reporting period; however, some losses may be carried forward indefinitely. State net operating losses may be carried forward for periods of between five and twenty years with the last expiring year being 2029.

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*Uncertain Tax Positions*

The following is a reconciliation of the total amounts of unrecognized tax benefits excluding interest and penalties, for the years ended December 31, 2011, 2012 and 2013:

	Year Ended December 31,		
	2011	2012	2013
Balance at January 1,	\$15,197	\$18,660	\$ 33,222
Gross increases — tax positions in prior periods	3,153	14,462	413
Gross decreases — tax positions in prior periods	—	(3,321)	—
Gross increases — current period tax positions	3,729	3,672	1,476
Gross decreases — current period tax positions	(633)	—	—
Settlements	(2,467)	—	(15,444)
Foreign currency translation adjustments	(319)	(251)	(887)
Balance at December 31,	<u>\$18,660</u>	<u>\$33,222</u>	<u>\$ 18,780</u>

The Company had \$34,475 and \$20,130 of unrecognized tax benefits, including interest and penalties, as of December 31, 2012 and 2013, respectively. Of these amounts, \$30,085 and \$17,909 represent the amount of unrecognized tax benefits that if recognized would impact the effective income tax rate for the years ended December 31, 2012 and 2013, respectively. The Company had \$4,576 and \$4,671 accrued for interest and penalties as of December 31, 2012 and 2013, respectively.

The Company and its subsidiaries file income tax returns in the U.S. federal jurisdiction and in certain state and foreign jurisdictions and are routinely under audit by many different tax authorities. The Company believes that its accrual for tax liabilities is adequate for all open audit years based on its assessment of many factors including past experience and interpretations of tax law. This assessment relies on estimates and assumptions and may involve a series of complex judgments about future events. The Company is no longer subject to income tax audits from the Internal Revenue Service for years before 2010. The Company is no longer subject to state income tax examinations by tax authorities in its major state jurisdictions for years before 2009. Certain state returns were amended as a result of the Internal Revenue Service examination closures for 2002 through 2006, and the statutes remain open for those amendments. The Company is no longer subject to non-U.S. income tax examinations by tax authorities in its major non-U.S. tax jurisdictions for years before 2004.

The Company is currently under audit in the non-U.S. tax jurisdictions of Brazil and Chile. It is not expected that these audits will close in the next 12 months.

**21. COMMITMENTS AND CONTINGENCIES**

*Leases* — The Company conducts a significant part of its theatre operations in leased properties under noncancelable operating and capital leases with terms generally ranging from 10 to 25 years. In addition to the minimum annual lease payments, some of the leases provide for contingent rentals based on operating results of the theatre and most require the payment of taxes, insurance and other costs applicable to the property. The Company can renew, at its option, a substantial portion of the leases at defined or then market rental rates for various periods. Some leases also provide for escalating rent payments throughout the lease term. A liability for deferred lease expenses of \$38,297 and \$43,552 at December 31, 2012 and 2013, respectively, has been provided

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to account for lease expenses on a straight-line basis, where lease payments are not made on such a basis. Theatre rent expense was as follows:

	Year Ended December 31,		
	2011	2012	2013
Fixed rent expense	\$ 200,006	\$ 205,770	\$ 224,056
Contingent rent and other facility lease expenses	76,272	75,845	83,795
<b>Total facility lease expense</b>	<b>\$ 276,278</b>	<b>\$ 281,615</b>	<b>\$ 307,851</b>

Future minimum lease payments under noncancelable operating and capital leases that have initial or remaining terms in excess of one year at December 31, 2013 are due as follows:

	Operating Leases	Capital Leases
2014	\$ 254,911	\$ 31,198
2015	255,755	31,905
2016	247,757	31,841
2017	228,721	30,227
2018	196,415	30,568
Thereafter	881,622	170,775
<b>Total</b>	<b>\$ 2,065,181</b>	<b>326,514</b>
Amounts representing interest payments		(110,158)
<b>Present value of future minimum payments</b>		<b>\$ 216,356</b>
Current portion of capital lease obligations		(13,847)
<b>Capital lease obligations, less current portion</b>		<b>\$ 202,509</b>

*Employment Agreements* — The Company has employment agreements with Lee Roy Mitchell, Timothy Warner, Robert Copple, Valmir Fernandes, Michael Cavalier, Steve Bunnell and Rob Carmony that are subject to automatic extensions for a one-year period, unless the employment agreements are terminated. The base salaries stipulated in the employment agreements are subject to review at least annually during the term of the agreements for increase (but not decrease) by the Company's Compensation Committee. Management personnel subject to these employment agreements are eligible to receive annual cash incentive bonuses upon the Company meeting certain performance targets established by the Compensation Committee in the first quarter of the fiscal year.

Effective January 21, 2014, the Company amended its employment agreements with Tim Warner and Robert Copple. Under these agreements Tim Warner will continue as the Company's Chief Executive Officer and Robert Copple will assume the role of President and Chief Operating Officer. Mr. Copple will continue to serve as the Company's Chief Financial Officer until a new Chief Financial Officer is hired by the Company. See Note 27 for additional information.

*Retirement Savings Plan* — The Company has a 401(k) retirement savings plan for the benefit of all employees and makes contributions as determined annually by the board of directors. Contribution payments of \$2,410 and \$2,483 were made in 2012 (for plan year 2011) and 2013 (for plan year 2012), respectively. A liability of approximately \$2,753 has been recorded at December 31, 2013 for contribution payments to be made in 2014 (for plan year 2013).

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

*Litigation and Litigation Settlements* — From time to time, the Company is involved in other various legal proceedings arising from the ordinary course of its business operations, such as personal injury claims, employment matters, landlord-tenant disputes, patent claims and contractual disputes, some of which are covered by insurance or by indemnification from vendors. The Company believes its potential liability with respect to these types of proceedings currently pending is not material, individually or in the aggregate, to the Company's financial position, results of operations and cash flows.

**22. SEGMENTS**

The Company manages its international market and its U.S. market as separate reportable operating segments. The international segment consists of operations in Brazil, Argentina, Chile, Colombia, Peru, Ecuador, Honduras, El Salvador, Nicaragua, Costa Rica, Panama and Guatemala. The Company sold its theatres in Mexico on November 15, 2013. Each segment's revenue is derived from admissions and concession sales and other ancillary revenues, primarily screen advertising. The 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 does not report asset information by segment because that information is not used to evaluate the performance or allocate resources between segments.

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

	Year Ended December 31,		
	2011	2012	2013
<b>Revenues:</b>			
U.S.	\$ 1,593,667	\$ 1,706,511	\$ 1,912,674
International	696,119	777,663	783,053
Eliminations	(10,173)	(10,643)	(12,833)
Total revenues	<u>\$ 2,279,613</u>	<u>\$ 2,473,531</u>	<u>\$ 2,682,894</u>
<b>Adjusted EBITDA:</b>			
U.S.	\$ 371,212	\$ 409,860	\$ 455,489
International	148,261	179,375	169,834
Total Adjusted EBITDA	<u>\$ 519,473</u>	<u>\$ 589,235</u>	<u>\$ 625,323</u>
<b>Capital expenditures:</b>			
U.S.	\$ 79,510	\$ 107,323	\$ 117,488
International	105,309	113,404	142,182
Total capital expenditures	<u>\$ 184,819</u>	<u>\$ 220,727</u>	<u>\$ 259,670</u>

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

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

	Year Ended December 31,		
	2011	2012	2013
Net income	\$132,582	\$171,420	\$150,548
Add (deduct):			
Income taxes	73,050	125,398	113,316
Interest expense <sup>(1)</sup>	123,102	123,665	124,714
Loss on early retirement of debt	4,945	5,599	72,302
Loss on marketable securities — RealD	12,610	—	—
Other income <sup>(2)</sup>	(13,594)	(21,568)	(24,688)
Depreciation and amortization	154,449	147,675	163,970
Impairment of long-lived assets	7,033	3,031	3,794
(Gain) loss on sale of assets and other	8,792	12,168	(3,845)
Deferred lease expenses	4,155	4,104	5,701
Amortization of long-term prepaid rents	2,657	2,673	2,625
Share based awards compensation expense	9,692	15,070	16,886
Adjusted EBITDA	<u>\$519,473</u>	<u>\$589,235</u>	<u>\$625,323</u>

<sup>(1)</sup> Includes amortization of debt issue costs.

<sup>(2)</sup> Includes interest income, foreign currency exchange gain (loss), and equity in income of affiliates and excludes distributions from NCM. Distributions from NCM are reported entirely within the U.S. operating segment.

**Financial Information About Geographic Areas**

Below is a breakdown of select financial information by geographic area:

	Year Ended December 31,		
	2011	2012	2013
<b>Revenues</b>			
U.S.	\$ 1,593,667	\$ 1,706,511	\$ 1,912,674
Brazil	358,820	328,136	325,762
Other foreign countries	337,299	449,527	457,291
Eliminations	(10,173)	(10,643)	(12,833)
Total	<u>\$ 2,279,613</u>	<u>\$ 2,473,531</u>	<u>\$ 2,682,894</u>
		<b>December 31,</b>	
		2012	2013
<b>Theatres properties and equipment, net</b>			
U.S.	\$ 940,922	\$ 1,062,471	
Brazil	190,990	201,492	
Other foreign countries	173,046	163,227	
Total	<u>\$ 1,304,958</u>	<u>\$ 1,427,190</u>	

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

**23. RELATED PARTY TRANSACTIONS**

The Company manages theatres 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. Lee Roy Mitchell is the Company’s Chairman of the Board and directly and indirectly owns approximately 9% of the Company’s common stock. 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 \$476, \$522 and \$558 of management fee revenues during the years ended December 31, 2011, 2012 and 2013, respectively. All such amounts are included in the Company’s consolidated financial statements with the intercompany amounts eliminated in consolidation. The Company also paid distributions to Lone Star Theatres, Inc. of \$1,000 during the year ended December 31, 2013.

The Company has an Aircraft Time Sharing Agreement with Copper Beech Capital, LLC to use, on occasion, a private aircraft owned by Copper Beech Capital, LLC. Copper Beech Capital, LLC is owned by Mr. Mitchell and his wife, Tandy Mitchell. The private aircraft is used by Mr. Mitchell and other executives who accompany Mr. Mitchell to business meetings for the Company. The Company reimburses Copper Beech Capital, LLC the actual costs of fuel usage and the expenses of the pilots, landing fees, storage fees and similar expenses incurred during the trip. For the years ended December 31, 2011, 2012 and 2013, the aggregate amounts paid to Copper Beech Capital, LLC for the use of the aircraft was approximately \$86, \$82 and \$91, respectively.

The Company currently leases 18 theatres and one parking facility from Syufy Enterprises, LP (“Syufy”) or affiliates of Syufy. Raymond Syufy is one of the Company’s directors and is an officer of the general partner of Syufy. Of these 19 leases, 16 have fixed minimum annual rent. The three 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. For the years ended December 31, 2011, 2012 and 2013, the Company paid total rent of approximately \$25,216, \$24,783 and \$22,876, respectively, to Syufy.

**24. VALUATION AND QUALIFYING ACCOUNTS**

The Company’s valuation allowance for deferred tax assets for the years ended December 31, 2011, 2012 and 2013 were as follows:

	<b>Valuation Allowance for Deferred Tax Assets</b>
Balance at January 1, 2011	\$ 15,425
Additions	2,338
Deductions	<u>(2,320)</u>
Balance at December 31, 2011	\$ 15,443
Additions	6,298
Deductions	<u>(8,415)</u>
Balance at December 31, 2012	\$ 13,326
Additions	14,162
Deductions	<u>(1,777)</u>
Balance at December 31, 2013	<u>\$ 25,711</u>

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

**25. QUARTERLY FINANCIAL INFORMATION (UNAUDITED)**

	2012				
	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Full Year
Revenues	\$ 578,818	\$ 649,606	\$ 633,573	\$ 611,534	\$ 2,473,531
Operating income	\$ 89,488	\$ 113,909	\$ 94,153	\$ 86,152	\$ 383,702
Net income attributable to Cinemark Holdings, Inc.	\$ 42,104	\$ 51,638	\$ 47,385	\$ 27,822	\$ 168,949
Net income per share attributable to Cinemark Holdings, Inc.'s common stockholders:					
Basic	\$ 0.37	\$ 0.45	\$ 0.41	\$ 0.24	\$ 1.47
Diluted	\$ 0.37	\$ 0.45	\$ 0.41	\$ 0.24	\$ 1.47

  

	2013				
	First Quarter	Second Quarter <sup>(1)</sup>	Third Quarter	Fourth Quarter <sup>(2)</sup>	Full Year
Revenues	\$ 547,773	\$ 725,622	\$ 757,566	\$ 651,933	\$ 2,682,894
Operating income	\$ 65,629	\$ 134,017	\$ 135,192	\$ 80,653	\$ 415,491
Net income attributable to Cinemark Holdings, Inc.	\$ 32,594	\$ 20,265	\$ 80,019	\$ 15,592	\$ 148,470
Net income per share attributable to Cinemark Holdings, Inc.'s common stockholders:					
Basic	\$ 0.28	\$ 0.18	\$ 0.69	\$ 0.13	\$ 1.28
Diluted	\$ 0.28	\$ 0.18	\$ 0.69	\$ 0.13	\$ 1.28

<sup>(1)</sup> Net income attributable to Cinemark Holdings, Inc. for the second quarter of 2013 includes a loss on early retirement of debt of \$72,302 as a result of the redemption of Cinemark USA, Inc.'s 8.625% Senior Notes on June 24, 2013. See Note 12 for additional information.

<sup>(2)</sup> Net income attributable to Cinemark Holdings, Inc. for the fourth quarter of 2013 includes \$21,406 of income tax expense related to the sale of the Company's Mexico subsidiaries, which closed on November 15, 2013.

**26. SUBSEQUENT EVENT — DIVIDEND DECLARATION**

On February 14, 2014, the Company's board of directors declared a cash dividend for the fourth quarter of 2013 of \$0.25 per share of common stock payable to stockholders of record on March 4, 2014. The dividend will be paid on March 19, 2014.

**27. SUBSEQUENT EVENT — CHANGES IN SENIOR LEADERSHIP**

Effective January 21, 2014, the Company entered into a Second Amended and Restated Employment Agreement (the "Second Amended Agreement") with Tim Warner, amending the Amended and Restated Employment Agreement between the Company and Mr. Warner dated March 30, 2012. The Second Amended Agreement expires April 1, 2016. Pursuant to the Second Amended Agreement, Mr. Warner will continue to serve as the Company's Chief Executive Officer and the Company will provide Mr. Warner with a base salary that is subject to annual review by the Compensation Committee for increase (but not decrease). Mr. Warner is eligible to participate in the Cinemark Holdings, Inc. Performance Bonus Plan (the "Bonus Plan") and he will continue to be eligible to participate in and receive grants of equity incentive awards under the Company's Amended and Restated 2006 Long Term Incentive Plan (the "Incentive Plan").

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

Effective January 21, 2014 (the “Effective Date”), the Company also entered into an Amended and Restated Employment Agreement (the “Amended Employment Agreement”) with Robert Copple, amending the employment agreement between the Company and Mr. Copple dated June 16, 2008. Pursuant to the Amended Employment Agreement, Mr. Copple will serve as the Company’s President and Chief Operating Officer. Mr. Copple will also continue to serve as the Chief Financial Officer until a new Chief Financial Officer is hired by the Company. The term of Mr. Copple’s employment with the Company shall continue for a period of three years from the Effective Date; provided, however, that on the second anniversary of the Effective Date and on each anniversary of the Effective Date thereafter, the Term shall be automatically extended for an additional one-year period unless Mr. Copple’s employment with the Company is terminated. Mr. Copple is eligible to participate in the Bonus Plan and he will continue to be eligible to participate in and receive grants of equity incentive awards under the Company’s Incentive Plan.

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## SCHEDULE 1 — CONDENSED FINANCIAL INFORMATION OF REGISTRANT

CINEMARK HOLDINGS, INC.  
PARENT COMPANY BALANCE SHEETS  
(In thousands, except share data)

	December 31, 2012	December 31, 2013
<b>Assets</b>		
Cash and cash equivalents	\$ 569	\$ 35
Investment in subsidiaries	1,085,783	1,095,287
Total assets	<u>\$ 1,086,352</u>	<u>\$ 1,095,322</u>
<b>Liabilities and equity</b>		
<b>Liabilities</b>		
Accrued other current liabilities	\$ 1,258	\$ 1,414
Other long-term liabilities	1,029	486
Total liabilities	2,287	1,900
Commitments and contingencies		
<b>Equity</b>		
Common stock, \$0.001 par value: 300,000,000 shares authorized; 118,502,752 shares issued and 114,949,667 shares outstanding at December 31, 2012 and 119,077,473 shares issued and 115,382,538 shares outstanding at December 31, 2013	118	119
Additional paid-in-capital	1,064,016	1,079,304
Treasury stock, 3,553,085 and 3,694,935 common shares at cost at December 31, 2012 and 2013, respectively	(48,482)	(51,946)
Retained earnings	106,111	147,764
Accumulated other comprehensive loss	(37,698)	(81,819)
Total equity	<u>1,084,065</u>	<u>1,093,422</u>
<b>Total liabilities and equity</b>	<u>\$ 1,086,352</u>	<u>\$ 1,095,322</u>

The accompanying notes are an integral part of the condensed financial information of the registrant.

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**CINEMARK HOLDINGS, INC.**  
**PARENT COMPANY STATEMENTS OF INCOME**  
**YEARS ENDED DECEMBER 31, 2011, 2012 and 2013**  
**(in thousands)**

	Year Ended December 31,		
	2011	2012	2013
Revenues	\$ —	\$ —	\$ —
Cost of operations	2,193	2,182	2,215
Operating loss	(2,193)	(2,182)	(2,215)
Other income	—	—	—
Loss before income taxes and equity in income of subsidiaries	(2,193)	(2,182)	(2,215)
Income taxes	823	818	842
Equity in income of subsidiaries, net of taxes	131,927	170,313	149,843
<b>Net income</b>	<b><u>\$130,557</u></b>	<b><u>\$168,949</u></b>	<b><u>\$148,470</u></b>

The accompanying notes are an integral part of the condensed financial information of the registrant.

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**CINEMARK HOLDINGS, INC.**  
**PARENT COMPANY STATEMENTS OF COMPREHENSIVE INCOME**  
**YEARS ENDED DECEMBER 31, 2011, 2012 AND 2013**  
**(In thousands)**

	<u>2011</u>	<u>2012</u>	<u>2013</u>
<b>Net income</b>	\$130,557	\$168,949	\$148,470
<b>Other comprehensive income (loss), net of tax</b>			
Unrealized gain (loss) due to fair value adjustments on interest rate swap agreements, net of taxes of \$3,786, \$557 and \$1,865	(2,830)	1,020	3,151
Unrealized gain (loss) due to fair value adjustments on available-for-sale securities, net of taxes of \$8,128, \$1,499 and \$1,223	(13,566)	2,499	(2,041)
Amortization of accumulated other comprehensive loss on terminated swap agreement	4,236	2,470	—
Other comprehensive income in equity method investments	—	—	2,386
Foreign currency translation adjustments	(46,058)	(20,005)	(47,617)
Total other comprehensive loss, net of tax	(58,218)	(14,016)	(44,121)
Total comprehensive income, net of tax	72,339	154,933	104,349
Comprehensive income attributable to noncontrolling interests	—	—	—
<b>Comprehensive income attributable to Cinemark Holdings, Inc.</b>	<u>\$ 72,339</u>	<u>\$154,933</u>	<u>\$104,349</u>

The accompanying notes are an integral part of the condensed financial information of the registrant.

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**CINEMARK HOLDINGS, INC.**  
**PARENT COMPANY STATEMENTS OF CASH FLOWS**  
**YEARS ENDED DECEMBER 31, 2011, 2012 and 2013**  
**(in thousands)**

	Year Ended December 31,		
	2011	2012	2013
<b>Operating Activities</b>			
Net income	\$ 130,557	\$ 168,949	\$ 148,470
Adjustments to reconcile net income to cash provided by operating activities:			
Share based awards compensation expense	666	750	840
Equity in income of subsidiaries	(131,927)	(170,313)	(149,843)
Changes in other assets and liabilities	1,516	4,448	4,301
Net cash provided by operating activities	812	3,834	3,768
<b>Investing Activities</b>			
Dividends received from subsidiaries	95,000	95,750	105,150
Net cash provided by investing activities	95,000	95,750	105,150
<b>Financing Activities</b>			
Proceeds from stock option exercises	444	459	57
Payroll taxes paid as a result of noncash stock option exercises and restricted stock withholdings	(494)	(3,263)	(3,464)
Dividends paid to stockholders	(95,838)	(96,367)	(106,045)
Net cash used for financing activities	(95,888)	(99,171)	(109,452)
<b>Increase (decrease) in cash and cash equivalents</b>	(76)	413	(534)
<b>Cash and cash equivalents:</b>			
Beginning of period	232	156	569
End of period	<u>\$ 156</u>	<u>\$ 569</u>	<u>\$ 35</u>

The accompanying notes are an integral part of the condensed financial information of the registrant.

**CINEMARK HOLDINGS, INC.**  
**NOTES TO PARENT COMPANY FINANCIAL STATEMENTS**  
**In thousands, except share and per share data**

**1. BASIS OF PRESENTATION**

Cinemark Holdings, Inc. conducts substantially all of its operations through its subsidiaries. These statements should be read in conjunction with the Company's consolidated statements and notes included elsewhere in this annual report on Form 10-K. There are significant restrictions over Cinemark Holdings, Inc.'s ability to obtain funds from its subsidiaries through dividends, loans or advances as contained in Cinemark USA, Inc.'s amended senior secured credit facility and the indentures to each of the 4.875% Senior Notes, the 5.125% Senior Notes and the 7.375% Senior Subordinated Notes (collectively referred to herein as the "Notes"). These condensed parent company financial statements have been prepared in accordance with Rule 12-04, Schedule I of Regulation S-X, as the restricted net assets of Cinemark Holdings, Inc.'s subsidiaries under each of the debt agreements previously noted exceeds 25 percent of the consolidated net assets of Cinemark Holdings, Inc. As of December 31, 2013, the restricted net assets totaled approximately \$792,605 and \$1,007,893 under the amended senior secured credit facility and the Notes, respectively. See Note 12 to the Company's consolidated financial statements included elsewhere in this annual report on Form 10-K.

**2. DIVIDEND PAYMENTS**

Below is a summary of dividends declared for the fiscal periods indicated.

Date Declared	Date of Record	Date Paid	Amount per Common Share <sup>(2)</sup>	Total Dividends <sup>(1)</sup>
02/24/11	03/04/11	03/16/11	\$0.21	\$24,056
05/12/11	06/06/11	06/17/11	\$0.21	24,152
08/04/11	08/17/11	09/01/11	\$0.21	24,157
11/03/11	11/18/11	12/07/11	\$0.21	24,157
Total — Year ended December 31, 2011				\$96,522
02/03/12	03/02/12	03/16/12	\$0.21	\$24,141
05/11/12	06/04/12	06/19/12	\$0.21	24,274
08/08/12	08/21/12	09/05/12	\$0.21	24,281
11/06/12	11/21/12	12/07/12	\$0.21	24,565
Total — Year ended December 31, 2012				\$97,261
02/12/13	03/04/13	03/15/13	\$0.21	\$24,325
05/24/13	06/06/13	06/20/13	\$0.21	24,348
08/15/13	08/28/13	09/12/13	\$0.25	28,992
11/19/13	12/02/13	12/11/13	\$0.25	29,152
Total — Year ended December 31, 2013				\$106,817

<sup>(1)</sup> Of the dividends recorded during 2011, 2012 and 2013, \$684, \$894 and \$772, respectively, were related to outstanding restricted stock units and will not be paid until such units vest. See Note 19 to the Company's consolidated financial statements included elsewhere in this annual report on Form 10-K.

<sup>(2)</sup> Beginning with the dividend declared on August 15, 2013, the Company's board of directors raised the quarterly dividend to \$0.25 per common share.

**CINEMARK HOLDINGS, INC.**  
**NOTES TO PARENT COMPANY FINANCIAL STATEMENTS**  
**In thousands, except share and per share data**

**3. DIVIDENDS RECEIVED FROM SUBSIDIARIES**

During the years ended December 31, 2011, 2012 and 2013, Cinemark Holdings, Inc. received cash dividends of \$95,000, \$95,750 and \$105,150, respectively, from its subsidiary, Cinemark USA, Inc. Cinemark USA, Inc. also declared a noncash distribution to Cinemark Holdings, Inc. during the years ended December 31, 2012 and 2013 of approximately \$5,356 and \$4,971.

**4. LONG-TERM DEBT**

Cinemark Holdings, Inc. has no direct outstanding debt obligations, but its subsidiaries do. For a discussion of the debt obligations of Cinemark Holdings, Inc.'s subsidiaries, see Note 12 to the Company's consolidated financial statements included elsewhere in this annual report on Form 10-K.

**5. CAPITAL STOCK**

Cinemark Holdings, Inc.'s capital stock along with its long-term incentive plan and related activity are discussed in Note 18 of the Company's consolidated financial statements included elsewhere in this annual report on Form 10-K.

**6. COMMITMENTS AND CONTINGENCIES**

Cinemark Holdings, Inc. has no direct commitments and contingencies, but its subsidiaries do. See Note 21 of the Company's consolidated financial statements included elsewhere in this annual report on Form 10-K.

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**EXHIBITS**  
**TO**  
**FORM 10-K**  
**ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d)**  
**OF THE SECURITIES EXCHANGE ACT OF 1934**  
**FOR**  
**CINEMARK HOLDINGS, INC.**  
**FOR FISCAL YEAR ENDED**  
**DECEMBER 31, 2013**  
**E-1**

**EXHIBIT INDEX**

<u>Number</u>	<u>Exhibit Title</u>
2.1(a)	Stock Contribution and Exchange Agreement, dated as of August 7, 2006, by and between Cinemark Holdings, Inc., Cinemark, Inc., Syufy Enterprises, LP and Century Theatres Holdings, LLC (incorporated by reference to Exhibit 10.2 to Current Report on Form 8-K, File No. 000-47040, filed by Cinemark USA, Inc. on August 11, 2006).
2.1(b)	Stock Purchase Agreement, dated as of August 7, 2006, by and among Cinemark USA, Inc., Cinemark Holdings, Inc., Syufy Enterprises LP, Century Theatres, Inc. and Century Theatres Holdings, LLC (incorporated by reference to Exhibit 10.1 to Current Report on Form 8-K, File No. 000-47040, filed by Cinemark USA, Inc. on August 11, 2006).
2.2	Contribution and Exchange Agreement, dated as of August 7, 2006, by and among Cinemark Holdings, Inc. and Lee Roy Mitchell, The Mitchell Special Trust, Alan W. Stock, Timothy Warner, Robert Copple, Michael Cavalier, Northwestern University, John Madigan, Quadrangle Select Partners LP, Quadrangle Capital Partners A LP, Madison Dearborn Capital Partners IV, L.P., K&E Investment Partners, LLC — 2004-B-DIF, Piola Investments Ltd., Quadrangle (Cinemark) Capital Partners LP and Quadrangle Capital Partners LP (incorporated by reference to Exhibit 10.3 to Current Report on Form 8-K, File No. 000-47040, filed by Cinemark USA, Inc. on August 11, 2006).
2.3	Asset Purchase Agreement, dated as of November 16, 2012, by and among Cinemark USA, Inc., Rave Real Property Holdco, LLC and certain of its subsidiaries, Rave Cinemas, LLC and RC Processing, LLC. (incorporated by reference to Exhibit 2.3 to Cinemark Holdings, Inc.'s Annual Report on Form 10-K, File No. 001-33401, filed February 28, 2013).
3.1	Second Amended and Restated Certificate of Incorporation of Cinemark Holdings, Inc. filed with the Delaware Secretary of State on April 9, 2007 (incorporated by reference to Exhibit 3.1 to Amendment No. 2 to our Registration Statement on Form S-1, File No. 333-140390, filed April 9, 2007).
3.2(a)	Amended and Restated Bylaws of Cinemark Holdings, Inc. dated April 9, 2007 (incorporated by reference to Exhibit 3.2 to Amendment No. 2 to our Registration Statement on Form S-1, File No. 333-140390, filed April 9, 2007).
3.2(b)	First Amendment to the Amended and Restated Bylaws of Cinemark Holdings, Inc. dated April 16, 2007 (incorporated by reference to Exhibit 3.2(b) to Amendment No. 4 to our Registration Statement on Form S-1, File No. 333-140390, filed April 19, 2007).
4.1	Specimen stock certificate of Cinemark Holdings, Inc. (incorporated by reference to Exhibit 4.1 to Amendment No. 2 to our Registration Statement on Form S-1, File No. 333-140390, filed April 9, 2007).
4.2(a)	Indenture dated as of June 29, 2009, between Cinemark USA, Inc. and Wells Fargo Bank, N.A., as trustee governing the 8 <sup>5/8</sup> % senior notes of Cinemark USA, Inc. issued thereunder (incorporated by reference to Exhibit 4.2 to the Cinemark Holdings, Inc.'s Current Report on Form 8-K, File No. 001-33401, filed July 6, 2009).
4.2(b)	Form of 8 <sup>5/8</sup> % senior notes of Cinemark USA, Inc. (contained in the Indenture listed as Exhibit 4.4(a) above) (incorporated by reference to Exhibit 4.3 to the Cinemark Holdings, Inc.'s Current Report on Form 8-K, File No. 001-33401, filed July 6, 2009).
4.3(a)	Indenture, dated as of June 3, 2011, between Cinemark USA, Inc. and Wells Fargo Bank, N.A. governing the 7 <sup>7/8</sup> % senior subordinated notes issued thereunder (incorporated by reference to Exhibit 4.1 to Cinemark Holdings, Inc.'s Current Report on Form 8K, File No. 001-33401, filed on July 6, 2011).

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- 4.3(b) Form of 7<sup>3/8</sup>% senior subordinated notes of Cinemark USA, Inc. (contained in the Indenture listed as Exhibit 4.6(a) above) (incorporated by reference to Exhibit 4.3 to the Cinemark Holdings, Inc.'s Current Report on Form 8-K, File No. 001-33401, filed on July 6, 2011).
- 4.4(a) Indenture, dated as of December 18, 2012, between Cinemark USA, Inc. and Wells Fargo Bank, N.A. governing the 5/8% senior notes issued thereunder (incorporated by reference to Exhibit 4.1 to Cinemark Holdings, Inc.'s Current Report on Form 8K, File No. 001-33401, filed on December 20, 2012).
- 4.4(b) Form of 5<sup>1/8</sup>% senior notes of Cinemark USA, Inc. (contained in the Indenture listed as Exhibit 4.7(a) above) (incorporated by reference to Exhibit 4.1 to the Cinemark Holdings, Inc.'s Current Report on Form 8-K, File No. 001-33401, filed on December 20, 2012).
- 4.5 Exchange and Registration Rights Agreement, dated as of December 18, 2012, by and among Cinemark USA, Inc., the Guarantors and Barclay's Capital Inc., Morgan Stanley & Co. LLC, Deutsche Bank Securities Inc., Wells Fargo Securities, LLC and Nomura Securities International, Inc. (incorporated by reference to Exhibit 4.2 to Cinemark Holdings Inc.'s Current Report on Form 8-K, File No. 001-33401, filed on December 20, 2012).
- 10.1(a) Management Agreement, dated December 10, 1993, between Laredo Theatre, Ltd. and Cinemark USA, Inc. (incorporated by reference to Exhibit 10.14(b) to Cinemark USA, Inc.'s Annual Report on Form 10-K, File No. 033-47040, filed March 31, 1994).
- 10.1(b) First Amendment to Management Agreement of Laredo Theatre, Ltd., effective as of December 10, 2003, between CNMK Texas Properties, Ltd. (successor in interest to Cinemark USA, Inc.) and Laredo Theatre Ltd. (incorporated by reference to Exhibit 10.1(d) to Cinemark, Inc.'s Registration Statement on Form S-4, File No. 333-116292, filed June 8, 2004).
- 10.1(c) Second Amendment to Management of Laredo Theatres, Ltd., effective as of December 10, 2008, between CNMK Texas Properties, L.L.C. (Successor in interest to Cinemark USA, Inc.) and Laredo Theatre Ltd. (incorporated by reference to Exhibit 10.1(c) to the Cinemark Holdings, Inc.'s Annual Report on Form 10-K, File No. 001-33401, filed March 13, 2009).
- 10.2 License Agreement, dated December 10, 1993, between Laredo Joint Venture and Cinemark USA, Inc. (incorporated by reference to Exhibit 10.14(c) to Cinemark USA, Inc.'s Annual Report on Form 10-K, File No. 033-47040, filed March 31, 1994).
- 10.4(a) Amended and Restated Credit Agreement, dated as of December 18, 2012, among Cinemark USA, Inc., Cinemark Holdings, Inc., the several banks and other financial institutions and entities from time to time parties thereto, Barclays Bank PLC, Deutsche Bank Securities Inc., Morgan Stanley Senior Funding, Inc. and Wells Fargo Securities, LLC, as joint bookrunners, Morgan Stanley Senior Funding, Inc., as syndication agent, Deutsche Bank Securities Inc., Wells Fargo Securities, Inc. and Webster Bank, N.A., as co-documentation agents, and Barclays Bank PLC, as administrative agent. (incorporated by reference to Exhibit 10.1 to Cinemark Holdings, Inc.'s Current Report on Form 8-K, File No. 001-33401, filed on December 20, 2012).
- 10.4(b) Guarantee and Collateral Agreement, dated as of October 5, 2006, among Cinemark Holdings, Inc., Cinemark, Inc., CNMK Holding, Inc., Cinemark USA, Inc. and each subsidiary guarantor party thereto (incorporated by reference to Exhibit 10.6 to Current Report on Form 8-K, File No. 000-47040, filed by Cinemark USA, Inc. on October 12, 2006).
- 10.4(c) Reaffirmation agreement, dated as of December 18, 2012, between Cinemark Holdings, Inc., Cinemark USA, Inc. and each subsidiary guarantor party thereto (incorporated by reference to Exhibit 10.4(c) to Cinemark Holdings, Inc.'s Annual Report on Form 10-K, File No. 001-33401, filed February 28, 2013).

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- 10.5(a) Tax Sharing Agreement, between Cinemark USA, Inc. and Cinemark International, L.L.C. (f/k/a Cinemark II, Inc. ), dated as of June 10, 1992 (incorporated by reference to Exhibit 10.22 to Cinemark USA, Inc.'s Annual Report on Form 10-K, File No. 033-47040, filed March 31, 1993).
- 10.5(b) Tax Sharing Agreement, dated as of July 28, 1993, between Cinemark USA, Inc. and Cinemark Mexico (USA) (incorporated by reference to Exhibit 10.10 to Cinemark Mexico (USA)'s Registration Statement on Form S-4, File No. 033-72114, filed November 24, 1993).
- +10.6(a) Employment Agreement, dated as of June 16, 2008, between Cinemark Holdings, Inc. and Robert Copple (incorporated by reference to Exhibit 10.3 to Cinemark Holdings, Inc.'s Quarterly Report on Form 10-Q, File No. 333-140390, filed August 8, 2008).
- +10.6(b) Employment Agreement, dated as of June 16, 2008, between Cinemark Holdings, Inc. and Michael Cavalier (incorporated by reference to Exhibit 10.4 to Cinemark Holdings, Inc.'s Quarterly Report on Form 10-Q, File No. 333-140390, filed August 8, 2008).
- +10.6(c) Employment Agreement, dated as of December 15, 2008, between Cinemark Holdings, Inc. and Lee Roy Mitchell (incorporated by reference to Exhibit 10.5 (q) to Cinemark Holdings, Inc.'s Annual Report on Form 10-K, File No. 001-33401, filed March 13, 2009).
- +10.6(d) Employment Agreement, dated as of December 15, 2008, between Cinemark Holdings, Inc. and Rob Carmony (incorporated by reference to Exhibit 10.5 (r) to Cinemark Holdings, Inc.'s Annual Report on Form 10-K, File No. 001-33401, filed March 13, 2009).
- +10.6(e) Employment agreement, dated as of April 7, 2009, between Cinemark Holdings, Inc. and Steven Bunnell (incorporated by reference to Exhibit 10.1 to Cinemark Holdings, Inc.'s Quarterly Report on Form 10-Q, File No. 001-33401, filed August 7, 2009).
- +10.6(f) Employment Agreement, dated as of February 15, 2010, between Cinemark Holdings, Inc. and Valmir Fernandes (incorporated by reference to Exhibit 10.5(v) to Cinemark Holdings, Inc.'s Annual Report on Form 10-K, File No. 001-33401, filed March 10, 2010).
- +10.7(a) Amended and Restated Cinemark Holdings, Inc. 2006 Long Term Incentive Plan (incorporated by reference to Exhibit 4.1 to Cinemark Holdings, Inc.'s Quarterly Report on form 10-Q, File No. 001-33401, filed May 9, 2008).
- +10.7(b) Form of Stock Option Agreement (incorporated by reference to Exhibit 10.7(b) to Cinemark Holdings, Inc.'s Registration Statement on Form S-1, File No. 333-140390, filed February 1, 2007).
- +10.7(c) Form of Restricted Share Award Agreement pursuant to the Amended and Restated Cinemark Holdings, Inc. 2006 Long Term Incentive Plan (incorporated by reference to Exhibit 4.6 to Cinemark Holdings, Inc.'s Registration Statement on Form S-8, File No. 333-146349, filed August 29, 2008).
- +10.7(d) Form of Restricted Stock Unit Award Agreement pursuant to the Amended and Restated Cinemark Holdings, Inc. 2006 Long Term Incentive Plan (incorporated by reference to Exhibit 10.7(f) to Cinemark Holdings, Inc.'s Annual Report on Form 10-K, File No. 001-33401, filed February 29, 2012).
- 10.8 Exhibitor Services Agreement, dated as of February 13, 2007, by and between National CineMedia, LLC and Cinemark USA, Inc. (incorporated by reference to Exhibit 10.8 to Amendment No. 1 to Cinemark Holdings, Inc.'s Registration Statement on Form S-1, File No. 333-140390, filed March 16, 2007).
- 10.9 Third Amended and Restated Limited Liability Company Operating Agreement, dated as of February 12, 2007, by and between Cinemark Media, Inc., American Multi-Cinema, Inc., Regal CineMedia, LLC and National CineMedia, Inc. (incorporated by reference to Exhibit 10.9 to Amendment No. 1 to Cinemark Holdings, Inc.'s Registration Statement on Form S-1, File No. 333-140390, filed March 16, 2007).

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- 10.10(a) Indenture of Lease, dated as of September 30, 1995, by and between Syufy Enterprises, L.P., as landlord and Century Theatres of California, Inc., as tenant, for Century Stadium 14, Sacramento, CA (incorporated by reference to Exhibit 10.10(a) to Amendment No. 5 to Cinemark Holdings, Inc.'s Registration Statement on Form S-1, File No. 333-140390, filed April 20, 2007).
- 10.10(b) First Amendment, dated as of September 1, 2000, to Indenture of Lease, dated as of September 30, 1995, by and between Syufy Enterprises, L.P., as landlord and Century Theatres of California, Inc., as tenant, for Century Stadium 14, Sacramento, CA (incorporated by reference to Exhibit 10.10(b) to Amendment No. 5 to Cinemark Holdings, Inc.'s Registration Statement on Form S-1, File No. 333-140390, filed April 20, 2007).
- 10.10(c) Second Amendment, dated as of April 15, 2005, to Indenture of Lease, dated as of September 30, 1995, by and between Syufy Enterprises, L.P., as landlord and Century Theatres of California, Inc., as tenant, for Century Stadium 14, Sacramento, CA (incorporated by reference to Exhibit 10.10(c) to Amendment No. 5 to Cinemark Holdings, Inc.'s Registration Statement on Form S-1, File No. 333-140390, filed April 20, 2007).
- 10.10(d) Third Amendment, dated as of September 29, 2005, to Indenture of Lease, dated as of September 30, 1995, by and between Syufy Enterprises, L.P., as landlord and Century Theatres of California, Inc., as tenant, for Century Stadium 14, Sacramento, CA (incorporated by reference to Exhibit 10.10(d) to Amendment No. 3 to Cinemark Holdings, Inc.'s Registration Statement on Form S-1, File No. 333-140390, filed April 18, 2007).
- 10.10(e) Fourth Amendment, dated as of August 7, 2006, to Indenture of Lease, dated as of September 30, 1995, by and between Syufy Enterprises, L.P., as landlord and Century Theatres of California, Inc., as tenant, for Century Stadium 14, Sacramento, CA (incorporated by reference to Exhibit 10.10(e) to Amendment No. 5 to Cinemark Holdings, Inc.'s Registration Statement on Form S-1, File No. 333-140390, filed April 20, 2007).
- 10.11(a) Indenture of Lease, dated as of December 1, 1995, by and between Syufy Enterprises, L.P., as landlord and Century Theatres of California, Inc., as tenant, for Century Laguna 16, Elk Grove, CA (incorporated by reference to Exhibit 10.11(a) to Amendment No. 5 to Cinemark Holdings, Inc.'s Registration Statement on Form S-1, File No. 333-140390, filed April 20, 2007).
- 10.11(b) First Amendment, dated as of September 1, 2000, to Indenture of Lease, dated as of December 1, 1995, by and between Syufy Enterprises, L.P., as landlord and Century Theatres of California, Inc., as tenant, for Century Laguna 16, Elk Grove, CA (incorporated by reference to Exhibit 10.11(b) to Amendment No. 5 to Cinemark Holdings, Inc.'s Registration Statement on Form S-1, File No. 333-140390, filed April 20, 2007).
- 10.11(c) Second Amendment, dated as of April 15, 2005, to Indenture of Lease, dated as of December 1, 1995, by and between Syufy Enterprises, L.P., as landlord and Century Theatres of California, Inc., as tenant, for Century Laguna 16, Elk Grove, CA (incorporated by reference to Exhibit 10.11(c) to Amendment No. 3 to Cinemark Holdings, Inc.'s Registration Statement on Form S-1, File No. 333-140390, filed April 18, 2007).
- 10.11(d) Third Amendment, dated as of September 29, 2005, to Indenture of Lease, dated as of December 1, 1995, by and between Syufy Enterprises, L.P., as landlord and Century Theatres of California, Inc., as tenant, for Century Laguna 16, Elk Grove, CA (incorporated by reference to Exhibit 10.11(d) to Amendment No. 3 to Cinemark Holdings, Inc.'s Registration Statement on Form S-1, File No. 333-140390, filed April 18, 2007).
- 10.11(e) Fourth Amendment, dated as of August 7, 2006, to Indenture of Lease, dated as of December 1, 1995, by and between Syufy Enterprises, L.P., as landlord and Century Theatres of California, Inc., as tenant, for Century Laguna 16, Elk Grove, CA (incorporated by reference to Exhibit 10.11(e) to Amendment No. 5 to Cinemark Holdings, Inc.'s Registration Statement on Form S-1, File No. 333-140390, filed April 20, 2007).

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- 10.12(a) Indenture of Lease, dated as of September 30, 1995, by and between Syufy Enterprises, L.P., as landlord and Century Theatres of California, Inc., as tenant, for Century Capitol 16, San Jose, CA (incorporated by reference to Exhibit 10.12(a) to Amendment No. 5 to Cinemark Holdings, Inc.'s Registration Statement on Form S-1, File No. 333-140390, filed April 20, 2007).
- 10.12(b) First Amendment, dated as of September 1, 2000, to Indenture of Lease, dated as of September 30, 1995, by and between Syufy Enterprises, L.P., as landlord and Century Theatres of California, Inc., as tenant, for Century Capitol 16, San Jose, CA (incorporated by reference to Exhibit 10.12(b) to Amendment No. 5 to Cinemark Holdings, Inc.'s Registration Statement on Form S-1, File No. 333-140390, filed April 20, 2007).
- 10.12(c) Second Amendment, dated as of April 15, 2005, to Indenture of Lease, dated as of September 30, 1995, by and between Syufy Enterprises, L.P., as landlord and Century Theatres of California, Inc., as tenant, for Century Capitol 16, San Jose, CA (incorporated by reference to Exhibit 10.12(c) to Amendment No. 5 to Cinemark Holdings, Inc.'s Registration Statement on Form S-1, File No. 333-140390, filed April 20, 2007).
- 10.12(d) Third Amendment, dated as of September 29, 2005, to Indenture of Lease, dated as of September 30, 1995, by and between Syufy Enterprises, L.P., as landlord and Century Theatres of California, Inc., as tenant, for Century Capitol 16, San Jose, CA (incorporated by reference to Exhibit 10.12(d) to Amendment No. 3 to Cinemark Holdings, Inc.'s Registration Statement on Form S-1, File No. 333-140390, filed April 18, 2007).
- 10.12(e) Fourth Amendment, dated as of August 7, 2006, to Indenture of Lease, dated as of September 30, 1995, by and between Syufy Enterprises, L.P., as landlord and Century Theatres of California, Inc., as tenant, for Century Capitol 16, San Jose, CA (incorporated by reference to Exhibit 10.12(e) to Amendment No. 5 to Cinemark Holdings, Inc.'s Registration Statement on Form S-1, File No. 333-140390, filed April 20, 2007).
- 10.13(a) Indenture of Lease, dated as of September 30, 1995, by and between Syufy Enterprises, L.P., as landlord and Century Theatres of California, Inc., as tenant, for Century 10 Berryessa, San Jose, CA (incorporated by reference to Exhibit 10.13(a) to Amendment No. 5 to Cinemark Holdings, Inc.'s Registration Statement on Form S-1, File No. 333-140390, filed April 20, 2007).
- 10.13(b) First Amendment, dated as of September 1, 2000, to Indenture of Lease, dated as of September 30, 1995, by and between Syufy Enterprises, L.P., as landlord and Century Theatres of California, Inc., as tenant, for Century 10 Berryessa, San Jose, CA (incorporated by reference to Exhibit 10.13(b) to Amendment No. 5 to Cinemark Holdings, Inc.'s Registration Statement on Form S-1, File No. 333-140390, filed April 20, 2007).
- 10.13(c) Second Amendment, dated as of April 15, 2005, to Indenture of Lease, dated as of September 30, 1995, by and between Syufy Enterprises, L.P., as landlord and Century Theatres of California, Inc., as tenant, for Century 10 Berryessa, San Jose, CA (incorporated by reference to Exhibit 10.13(c) to Amendment No. 3 to Cinemark Holdings, Inc.'s Registration Statement on Form S-1, File No. 333-140390, filed April 18, 2007).
- 10.13(d) Third Amendment, dated as of September 29, 2005, to Indenture of Lease, dated as of September 30, 1995, by and between Syufy Enterprises, L.P., as landlord and Century Theatres of California, Inc., as tenant, for Century 10 Berryessa, San Jose, CA (incorporated by reference to Exhibit 10.13(d) to Amendment No. 5 to Cinemark Holdings, Inc.'s Registration Statement on Form S-1, File No. 333-140390, filed April 20, 2007)..
- 10.13(e) Fourth Amendment, dated as of August 7, 2006, to Indenture of Lease, dated as of September 30, 1995, by and between Syufy Enterprises, L.P., as landlord and Century Theatres of California, Inc., as tenant, for Century 10 Berryessa, San Jose, CA (incorporated by reference to Exhibit 10.13(e) to Amendment No. 3 to Cinemark Holdings, Inc.'s Registration Statement on Form S-1, File No. 333-140390, filed April 18, 2007).

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- 10.14(a) Indenture of Lease, dated as of December 1, 1995, by and between Syufy Enterprises, L.P., as landlord and Century Theatres of California, Inc., as tenant, for Century 14, Folsom, CA (incorporated by reference to Exhibit 10.14(a) to Amendment No. 5 to Cinemark Holdings, Inc.'s Registration Statement on Form S-1, File No. 333-140390, filed April 20, 2007)..
- 10.14(b) First Amendment, dated as of September 1, 2000, to Indenture of Lease, dated as of December 1, 1995, by and between Syufy Enterprises, L.P., as landlord and Century Theatres of California, Inc., as tenant, for Century 14, Folsom, CA (incorporated by reference to Exhibit 10.14(b) to Amendment No. 5 to Cinemark Holdings, Inc.'s Registration Statement on Form S-1, File No. 333-140390, filed April 20, 2007).
- 10.14(c) Second Amendment, dated as of April 15, 2005, to Indenture of Lease, dated as of December 1, 1995, by and between Syufy Enterprises, L.P., as landlord and Century Theatres of California, Inc., as tenant, for Century 14, Folsom, CA (incorporated by reference to Exhibit 10.14(c) to Amendment No. 3 to Cinemark Holdings, Inc.'s Registration Statement on Form S-1, File No. 333-140390, filed April 18, 2007).
- 10.14(d) Third Amendment, dated as of September 29, 2005, to Indenture of Lease, dated as of December 1, 1995, by and between Syufy Enterprises, L.P., as landlord and Century Theatres of California, Inc., as tenant, for Century 14, Folsom, CA (incorporated by reference to Exhibit 10.14(d) to Amendment No. 3 to Cinemark Holdings, Inc.'s Registration Statement on Form S-1, File No. 333-140390, filed April 18, 2007).
- 10.14(e) Fourth Amendment, dated as of August 7, 2006, to Indenture of Lease, dated as of December 1, 1995, by and between Syufy Enterprises, L.P., as landlord and Century Theatres of California, Inc., as tenant, for Century 14, Folsom, CA (incorporated by reference to Exhibit 10.14(e) to Amendment No. 5 to Cinemark Holdings, Inc.'s Registration Statement on Form S-1, File No. 333-140390, filed April 20, 2007).
- 10.15(a) Indenture of Lease, dated as of September 30, 1995, by and between Syufy Enterprises, L.P., as landlord and Century Theatres of Nevada, Inc., as tenant, for Cinedome 12, Henderson, NV (incorporated by reference to Exhibit 10.15(a) to Amendment No. 5 to Cinemark Holdings, Inc.'s Registration Statement on Form S-1, File No. 333-140390, filed April 20, 2007).
- 10.15(b) First Amendment, dated as of September 1, 2000, to Indenture of Lease, dated as of September 30, 1995, by and between Syufy Enterprises, L.P., as landlord and Century Theatres of Nevada, Inc., as tenant, for Cinedome 12, Henderson, NV (incorporated by reference to Exhibit 10.15(b) to Amendment No. 5 to Cinemark Holdings, Inc.'s Registration Statement on Form S-1, File No. 333-140390, filed April 20, 2007).
- 10.15(c) Second Amendment, dated as of April 15, 2005, to Indenture of Lease, dated as of September 30, 1995, by and between Syufy Enterprises, L.P., as landlord and Century Theatres of Nevada, Inc., as tenant, for Cinedome 12, Henderson, NV (incorporated by reference to Exhibit 10.15(c) to Amendment No. 3 to Cinemark Holdings, Inc.'s Registration Statement on Form S-1, File No. 333-140390, filed April 18, 2007).
- 10.15(d) Third Amendment, dated as of September 29, 2005, to Indenture of Lease, dated as of September 30, 1995, by and between Syufy Enterprises, L.P., as landlord and Century Theatres of Nevada, Inc., as tenant, for Cinedome 12, Henderson, NV (incorporated by reference to Exhibit 10.15(d) to Amendment No. 3 to Cinemark Holdings, Inc.'s Registration Statement on Form S-1, File No. 333-140390, filed April 18, 2007).
- 10.15(e) Fourth Amendment, dated as of August 7, 2006, to Indenture of Lease, dated as of September 30, 1995, by and between Syufy Enterprises, L.P., as landlord and Century Theatres of Nevada, Inc., as tenant, for Cinedome 12, Henderson, NV (incorporated by reference to Exhibit 10.15(e) to Amendment No. 5 to Cinemark Holdings, Inc.'s Registration Statement on Form S-1, File No. 333-140390, filed April 20, 2007)..

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- 10.16(a) Indenture of Lease, dated as of September 30, 1995, by and between Syufy Enterprises, L.P., as landlord and Century Theatres of California, Inc., as tenant, for Century Park 12, Redwood City, CA (incorporated by reference to Exhibit 10.16(a) to Amendment No. 5 to Cinemark Holdings, Inc.'s Registration Statement on Form S-1, File No. 333-140390, filed April 20, 2007).
- 10.16(b) First Amendment, dated as of September 1, 2000, to Indenture of Lease, dated as of September 30, 1995, by and between Syufy Enterprises, L.P., as landlord and Century Theatres of California, Inc., as tenant, for Century Park 12, Redwood City, CA (incorporated by reference to Exhibit 10.16(b) to Amendment No. 5 to Cinemark Holdings, Inc.'s Registration Statement on Form S-1, File No. 333-140390, filed April 20, 2007).
- 10.16(c) Second Amendment, dated as of April 15, 2005, to Indenture of Lease, dated as of September 30, 1995, by and between Syufy Enterprises, L.P., as landlord and Century Theatres of California, Inc., as tenant, for Century Park 12, Redwood City, CA (incorporated by reference to Exhibit 10.16(c) to Amendment No. 5 to Cinemark Holdings, Inc.'s Registration Statement on Form S-1, File No. 333-140390, filed April 20, 2007).
- 10.16(d) Third Amendment, dated as of September 29, 2005, to Indenture of Lease, dated as of September 30, 1995, by and between Syufy Enterprises, L.P., as landlord and Century Theatres of California, Inc., as tenant, for Century Park 12, Redwood City, CA (incorporated by reference to Exhibit 10.16(d) to Amendment No. 3 to Cinemark Holdings, Inc.'s Registration Statement on Form S-1, File No. 333-140390, filed April 18, 2007).
- 10.16(e) Fourth Amendment, dated as of August 7, 2006, to Indenture of Lease, dated as of September 30, 1995, by and between Syufy Enterprises, L.P., as landlord and Century Theatres of California, Inc., as tenant, for Century Park 12, Redwood City, CA (incorporated by reference to Exhibit 10.16(e) to Amendment No. 5 to Cinemark Holdings, Inc.'s Registration Statement on Form S-1, File No. 333-140390, filed April 20, 2007).
- 10.17(a) Indenture of Lease, dated as of September 30, 1995, by and between Syufy Enterprises, L.P., as landlord and Century Theatres of California, Inc., as tenant, for Century 8, North Hollywood, CA (incorporated by reference to Exhibit 10.17(a) to Amendment No. 5 to Cinemark Holdings, Inc.'s Registration Statement on Form S-1, File No. 333-140390, filed April 20, 2007).
- 10.17(b) First Amendment, dated as of September 1, 2000, to Indenture of Lease, dated as of September 30, 1995, by and between Syufy Enterprises, L.P., as landlord and Century Theatres of California, Inc., as tenant, for Century 8, North Hollywood, CA (incorporated by reference to Exhibit 10.17(b) to Amendment No. 5 to Cinemark Holdings, Inc.'s Registration Statement on Form S-1, File No. 333-140390, filed April 20, 2007).
- 10.17(c) Second Amendment, dated as of April 15, 2005, to Indenture of Lease, dated as of September 30, 1995, by and between Syufy Enterprises, L.P., as landlord and Century Theatres of California, Inc., as tenant, for Century 8, North Hollywood, CA (incorporated by reference to Exhibit 10.17(c) to Amendment No. 3 to Cinemark Holdings, Inc.'s Registration Statement on Form S-1, File No. 333-140390, filed April 18, 2007).
- 10.17(d) Third Amendment, dated as of September 29, 2005, to Indenture of Lease, dated as of September 30, 1995, by and between Syufy Enterprises, L.P., as landlord and Century Theatres of California, Inc., as tenant, for Century 8, North Hollywood, CA (incorporated by reference to Exhibit 10.17(d) to Amendment No. 3 to Cinemark Holdings, Inc.'s Registration Statement on Form S-1, File No. 333-140390, filed April 18, 2007)..
- 10.17(e) Third Amendment, dated as of August 7, 2006, to Indenture of Lease, dated as of September 30, 1995, by and between Syufy Enterprises, L.P., as landlord and Century Theatres of California, Inc., as tenant, for Century 8, North Hollywood, CA (incorporated by reference to Exhibit 10.17(e) to Amendment No. 5 to Cinemark Holdings, Inc.'s Registration Statement on Form S-1, File No. 333-140390, filed April 20, 2007).

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- 10.18(a) Indenture of Lease, dated as of September 30, 1995, by and between Syufy Enterprises, L.P., as landlord and Century Theatres of California, Inc., as tenant, for Century Plaza 10, S. San Francisco, CA (incorporated by reference to Exhibit 10.18(a) to Amendment No. 5 to Cinemark Holdings, Inc.'s Registration Statement on Form S-1, File No. 333-140390, filed April 20, 2007).
- 10.18(b) First Amendment, dated as of October 31, 1996, to Indenture of Lease, dated as of September 30, 1995, by and between Syufy Enterprises, L.P., as landlord and Century Theatres of California, Inc., as tenant, for Century Plaza 10, S. San Francisco, CA (incorporated by reference to Exhibit 10.18(b) to Amendment No. 3 to Cinemark Holdings, Inc.'s Registration Statement on Form S-1, File No. 333-140390, filed April 18, 2007).
- 10.18(c) Second Amendment, dated as of September 1, 2000, to Indenture of Lease, dated as of September 30, 1995, by and between Syufy Enterprises, L.P., as landlord and Century Theatres of California, Inc., as tenant, for Century Plaza 10, S. San Francisco, CA (incorporated by reference to Exhibit 10.18(c) to Amendment No. 5 to Cinemark Holdings, Inc.'s Registration Statement on Form S-1, File No. 333-140390, filed April 20, 2007).
- 10.18(d) Third Amendment, dated as of April 15, 2005, to Indenture of Lease, dated as of September 30, 1995, by and between Syufy Enterprises, L.P., as landlord and Century Theatres of California, Inc., as tenant, for Century Plaza 10, S. San Francisco, CA (incorporated by reference to Exhibit 10.18(d) to Amendment No. 5 to Cinemark Holdings, Inc.'s Registration Statement on Form S-1, File No. 333-140390, filed April 20, 2007).
- 10.18(e) Fourth Amendment, dated as of September 29, 2005, to Indenture of Lease, dated as of September 30, 1995, by and between Syufy Enterprises, L.P., as landlord and Century Theatres of California, Inc., as tenant, for Century Plaza 10, S. San Francisco, CA (incorporated by reference to Exhibit 10.18(e) to Amendment No. 3 to Cinemark Holdings, Inc.'s Registration Statement on Form S-1, File No. 333-140390, filed April 18, 2007).
- 10.18(f) Fifth Amendment, dated as of August 7, 2006, to Indenture of Lease, dated as of September 30, 1995, by and between Syufy Enterprises, L.P., as landlord and Century Theatres of California, Inc., as tenant, for Century Plaza 10, S. San Francisco, CA (incorporated by reference to Exhibit 10.18(f) to Amendment No. 5 to Cinemark Holdings, Inc.'s Registration Statement on Form S-1, File No. 333-140390, filed April 20, 2007).
- 10.19(a) Indenture of Lease, dated as of September 30, 1995, by and between Syufy Enterprises, L.P., as landlord and Century Theatres of California, Inc., as tenant, for Cinedome 8, Fremont, CA (incorporated by reference to Exhibit 10.19(a) to Amendment No. 5 to Cinemark Holdings, Inc.'s Registration Statement on Form S-1, File No. 333-140390, filed April 20, 2007).
- 10.19(b) First Amendment, dated as of September 1, 2000, to Indenture of Lease, dated as of September 30, 1995, by and between Syufy Enterprises, L.P., as landlord and Century Theatres of California, Inc., as tenant, for Cinedome 8, Fremont, CA (incorporated by reference to Exhibit 10.19(b) to Amendment No. 5 to Cinemark Holdings, Inc.'s Registration Statement on Form S-1, File No. 333-140390, filed April 20, 2007).
- 10.19(c) Second Amendment, dated as of April 15, 2005, to Indenture of Lease, dated as of September 30, 1995, by and between Syufy Enterprises, L.P., as landlord and Century Theatres of California, Inc., as tenant, for Cinedome 8, Fremont, CA (incorporated by reference to Exhibit 10.19(c) to Amendment No. 5 to Cinemark Holdings, Inc.'s Registration Statement on Form S-1, File No. 333-140390, filed April 20, 2007).
- 10.19(d) Third Amendment, dated as of September 29, 2005, to Indenture of Lease, dated as of September 30, 1995, by and between Syufy Enterprises, L.P., as landlord and Century Theatres of California, Inc., as tenant, for Cinedome 8, Fremont, CA (incorporated by reference to Exhibit 10.19(d) to Amendment No. 5 to Cinemark Holdings, Inc.'s Registration Statement on Form S-1, File No. 333-140390, filed April 20, 2007).

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- 10.19(e) Fourth Amendment, dated as of August 7, 2006, to Indenture of Lease, dated as of September 30, 1995, by and between Syufy Enterprises, L.P., as landlord and Century Theatres of California, Inc., as tenant, for Cinedome 8, Fremont, CA (incorporated by reference to Exhibit 10.19(e) to Amendment No. 5 to Cinemark Holdings, Inc.'s Registration Statement on Form S-1, File No. 333-140390, filed April 20, 2007).
- 10.20(a) Indenture of Lease, dated as of September 30, 1995, by and between Syufy Enterprises, L.P., as landlord and Century Theatres of California, Inc., as tenant, for Cinedome 7, Newark, CA (incorporated by reference to Exhibit 10.20(a) to Amendment No. 5 to Cinemark Holdings, Inc.'s Registration Statement on Form S-1, File No. 333-140390, filed April 20, 2007).
- 10.20(b) First Amendment, dated as of September 1, 2000, to Indenture of Lease, dated as of September 30, 1995, by and between Syufy Enterprises, L.P., as landlord and Century Theatres of California, Inc., as tenant, for Cinedome 7, Newark, CA (incorporated by reference to Exhibit 10.20(b) to Amendment No. 5 to Cinemark Holdings, Inc.'s Registration Statement on Form S-1, File No. 333-140390, filed April 20, 2007).
- 10.20(c) Second Amendment, dated as of April 15, 2005, to Indenture of Lease, dated as of September 30, 1995, by and between Syufy Enterprises, L.P., as landlord and Century Theatres of California, Inc., as tenant, for Cinedome 7, Newark, CA (incorporated by reference to Exhibit 10.20(c) to Amendment No. 3 to Cinemark Holdings, Inc.'s Registration Statement on Form S-1, File No. 333-140390, filed April 18, 2007).
- 10.20(d) Third Amendment, dated as of September 29, 2005, to Indenture of Lease, dated as of September 30, 1995, by and between Syufy Enterprises, L.P., as landlord and Century Theatres of California, Inc., as tenant, for Cinedome 7, Newark, CA (incorporated by reference to Exhibit 10.20(d) to Amendment No. 5 to Cinemark Holdings, Inc.'s Registration Statement on Form S-1, File No. 333-140390, filed April 20, 2007).
- 10.20(e) Fourth Amendment, dated as of August 7, 2006, to Indenture of Lease, dated as of September 30, 1995, by and between Syufy Enterprises, L.P., as landlord and Century Theatres of California, Inc., as tenant, for Cinedome 7, Newark, CA (incorporated by reference to Exhibit 10.20(e) to Amendment No. 5 to Cinemark Holdings, Inc.'s Registration Statement on Form S-1, File No. 333-140390, filed April 20, 2007).
- 10.21(a) Indenture of Lease, dated as of September 30, 1995, by and between Syufy Enterprises, L.P., as landlord and Century Theatres of California, Inc., as tenant, for Century Cinema 16, Mountain View, CA (incorporated by reference to Exhibit 10.21(a) to Amendment No. 5 to Cinemark Holdings, Inc.'s Registration Statement on Form S-1, File No. 333-140390, filed April 20, 2007).
- 10.21(b) First Amendment, dated as of September 1, 2000, to Indenture of Lease, dated as of September 30, 1995, by and between Syufy Enterprises, L.P., as landlord and Century Theatres of California, Inc., as tenant, for Century Cinema 16, Mountain View, CA (incorporated by reference to Exhibit 10.21(b) to Amendment No. 5 to Cinemark Holdings, Inc.'s Registration Statement on Form S-1, File No. 333-140390, filed April 20, 2007).
- 10.21(c) Second Amendment, dated as of April 15, 2005, to Indenture of Lease, dated as of September 30, 1995, by and between Syufy Enterprises, L.P., as landlord and Century Theatres of California, Inc., as tenant, for Century Cinema 16, Mountain View, CA (incorporated by reference to Exhibit 10.21(c) to Amendment No. 5 to Cinemark Holdings, Inc.'s Registration Statement on Form S-1, File No. 333-140390, filed April 20, 2007).
- 10.21(d) Third Amendment, dated as of September 29, 2005, to Indenture of Lease, dated as of September 30, 1995, by and between Syufy Enterprises, L.P., as landlord and Century Theatres of California, Inc., as tenant, for Century Cinema 16, Mountain View, CA (incorporated by reference to Exhibit 10.21(d) to Amendment No. 3 to Cinemark Holdings, Inc.'s Registration Statement on Form S-1, File No. 333-140390, filed April 18, 2007).

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- 10.21(e) Fourth Amendment, dated as of August 7, 2006, to Indenture of Lease, dated as of September 30, 1995, by and between Syufy Enterprises, L.P., as landlord and Century Theatres of California, Inc., as tenant, for Century Cinema 16, Mountain View, CA (incorporated by reference to Exhibit 10.21(e) to Amendment No. 5 to Cinemark Holdings, Inc.'s Registration Statement on Form S-1, File No. 333-140390, filed April 20, 2007).
- 10.22(a) Indenture of Lease, dated as of September 30, 1995, by and between Syufy Properties, Inc. (succeeded by Syufy Properties, Inc.), as landlord and Century Theatres of California, Inc., as tenant, for Cinearts 5, Pleasant Hill, CA (incorporated by reference to Exhibit 10.22(a) to Amendment No. 5 to Cinemark Holdings, Inc.'s Registration Statement on Form S-1, File No. 333-140390, filed April 20, 2007).
- 10.22(b) First Amendment, dated as of September 1, 2000, to Indenture of Lease, dated as of September 30, 1995, by and between Syufy Enterprises, L.P., as landlord and Century Theatres of California, Inc., as tenant, for Cinearts 5, Pleasant Hill, CA (incorporated by reference to Exhibit 10.22(b) to Amendment No. 5 to Cinemark Holdings, Inc.'s Registration Statement on Form S-1, File No. 333-140390, filed April 20, 2007).
- 10.22(c) Second Amendment, dated as of April 15, 2005, to Indenture of Lease, dated as of September 30, 1995, by and between Syufy Enterprises, L.P., as landlord and Century Theatres of California, Inc., as tenant, for Cinearts 5, Pleasant Hill, CA (incorporated by reference to Exhibit 10.22(c) to Amendment No. 3 to Cinemark Holdings, Inc.'s Registration Statement on Form S-1, File No. 333-140390, filed April 18, 2007).
- 10.22(d) Third Amendment, dated as of September 29, 2005, to Indenture of Lease, dated as of September 30, 1995, by and between Syufy Enterprises, L.P., as landlord and Century Theatres of California, Inc., as tenant, for Cinearts 5, Pleasant Hill, CA (incorporated by reference to Exhibit 10.22(d) to Amendment No. 5 to Cinemark Holdings, Inc.'s Registration Statement on Form S-1, File No. 333-140390, filed April 20, 2007).
- 10.22(e) Fourth Amendment, dated as of August 7, 2006, to Indenture of Lease, dated as of September 30, 1995, by and between Syufy Enterprises, L.P., as landlord and Century Theatres of California, Inc., as tenant, for Cinearts 5, Pleasant Hill, CA (incorporated by reference to Exhibit 10.22(e) to Amendment No. 5 to Cinemark Holdings, Inc.'s Registration Statement on Form S-1, File No. 333-140390, filed April 20, 2007).
- 10.23(a) Indenture of Lease, dated as of September 30, 1995, by and between Syufy Enterprises, L.P., as landlord and Century Theatres of California, Inc., as tenant, for Century 24, San Jose, CA (incorporated by reference to Exhibit 10.23(a) to Amendment No. 5 to Cinemark Holdings, Inc.'s Registration Statement on Form S-1, File No. 333-140390, filed April 20, 2007).
- 10.23(b) First Amendment, dated as of September 1, 2000, to Indenture of Lease, dated as of September 30, 1995, by and between Syufy Enterprises, L.P., as landlord and Century Theatres of California, Inc., as tenant, for Century 24, San Jose, CA (incorporated by reference to Exhibit 10.23(b) to Amendment No. 5 to Cinemark Holdings, Inc.'s Registration Statement on Form S-1, File No. 333-140390, filed April 20, 2007).
- 10.23(c) Second Amendment, dated as of April 15, 2005, to Indenture of Lease, dated as of September 30, 1995, by and between Syufy Enterprises, L.P., as landlord and Century Theatres of California, Inc., as tenant, for Century 24, San Jose, CA (incorporated by reference to Exhibit 10.23(c) to Amendment No. 3 to Cinemark Holdings, Inc.'s Registration Statement on Form S-1, File No. 333-140390, filed April 18, 2007).
- 10.23(d) Third Amendment, dated as of September 29, 2005, to Indenture of Lease, dated as of September 30, 1995, by and between Syufy Enterprises, L.P., as landlord and Century Theatres of California, Inc., as tenant, for Century 24, San Jose, CA (incorporated by reference to Exhibit 10.23(d) to Amendment No. 3 to Cinemark Holdings, Inc.'s Registration Statement on Form S-1, File No. 333-140390, filed April 18, 2007).

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- 10.23(e) Fourth Amendment, dated as of August 7, 2006, to Indenture of Lease, dated as of September 30, 1995, by and between Syufy Enterprises, L.P., as landlord and Century Theatres of California, Inc., as tenant, for Century 24, San Jose, CA (incorporated by reference to Exhibit 10.23(e) to Amendment No. 5 to Cinemark Holdings, Inc.'s Registration Statement on Form S-1, File No. 333-140390, filed April 20, 2007).
- 10.24(a) Indenture of Lease, dated as of September 30, 1995, by and between Syufy Enterprises, L.P., as landlord and Century Theatres of California, Inc., as tenant, for Cinedome 8, Napa, CA (incorporated by reference to Exhibit 10.24(a) to Amendment No. 5 to Cinemark Holdings, Inc.'s Registration Statement on Form S-1, File No. 333-140390, filed April 20, 2007).
- 10.24(b) First Amendment, dated as of September 1, 2000, to Indenture of Lease, dated as of September 30, 1995, by and between Syufy Enterprises, L.P., as landlord and Century Theatres of California, Inc., as tenant, for Cinedome 8, Napa, CA (incorporated by reference to Exhibit 10.24(b) to Amendment No. 5 to Cinemark Holdings, Inc.'s Registration Statement on Form S-1, File No. 333-140390, filed April 20, 2007).
- 10.24(c) Second Amendment, dated as of April 15, 2005, to Indenture of Lease, dated as of September 30, 1995, by and between Syufy Enterprises, L.P., as landlord and Century Theatres of California, Inc., as tenant, for Cinedome 8, Napa, CA (incorporated by reference to Exhibit 10.24(c) to Amendment No. 5 to Cinemark Holdings, Inc.'s Registration Statement on Form S-1, File No. 333-140390, filed April 20, 2007).
- 10.24(d) Third Amendment, dated as of September 29, 2005, to Indenture of Lease, dated as of September 30, 1995, by and between Syufy Enterprises, L.P., as landlord and Century Theatres of California, Inc., as tenant, for Cinedome 8, Napa, CA (incorporated by reference to Exhibit 10.24(d) to Amendment No. 3 to Cinemark Holdings, Inc.'s Registration Statement on Form S-1, File No. 333-140390, filed April 18, 2007).
- 10.24(e) Fourth Amendment, dated as of August 7, 2006, to Indenture of Lease, dated as of September 30, 1995, by and between Syufy Enterprises, L.P., as landlord and Century Theatres of California, Inc., as tenant, for Cinedome 8, Napa, CA (incorporated by reference to Exhibit 10.24(e) to Amendment No. 5 to Cinemark Holdings, Inc.'s Registration Statement on Form S-1, File No. 333-140390, filed April 20, 2007).
- 10.25(a) Lease Agreement, dated as of April 10, 1998, by and between Dyer Triangle LLC, as landlord and Century Theatres, Inc., as tenant, for Century 25 Union Landing, Union City, CA (incorporated by reference to Exhibit 10.25(a) to Amendment No. 5 to Cinemark Holdings, Inc.'s Registration Statement on Form S-1, File No. 333-140390, filed April 20, 2007).
- 10.25(b) First Amendment, dated as of April 15, 2005, to Lease Agreement, dated as of April 10, 1998, by and between Dyer Triangle LLC, as landlord and Century Theatres, Inc., as tenant, for Century 25 Union Landing, Union City, CA (incorporated by reference to Exhibit 10.25(b) to Amendment No. 3 to Cinemark Holdings, Inc.'s Registration Statement on Form S-1, File No. 333-140390, filed April 18, 2007).
- 10.25(c) Second Amendment, dated as of September 29, 2005, to Lease Agreement, dated as of April 10, 1998, by and between Dyer Triangle LLC, as landlord and Century Theatres, Inc., as tenant, for Century 25 Union Landing, Union City, CA (incorporated by reference to Exhibit 10.25(c) to Amendment No. 3 to Cinemark Holdings, Inc.'s Registration Statement on Form S-1, File No. 333-140390, filed April 18, 2007).
- 10.25(d) Third Amendment, dated as of August 5, 2006, to Lease Agreement, dated as of April 10, 1998, by and between Dyer Triangle LLC, as landlord and Century Theatres, Inc., as tenant, for Century 25 Union Landing, Union City, CA (incorporated by reference to Exhibit 10.25(d) to Amendment No. 5 to Cinemark Holdings, Inc.'s Registration Statement on Form S-1, File No. 333-140390, filed April 20, 2007).

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- 10.26(a) Indenture of Lease, dated as of March 7, 1997, by and between Syufy Enterprises, L.P., as landlord and Century Theatres, Inc., as tenant, for Century Sparks, Sparks, NV (incorporated by reference to Exhibit 10.26(a) to Amendment No. 5 to Cinemark Holdings, Inc.'s Registration Statement on Form S-1, File No. 333-140390, filed April 20, 2007).
- 10.26(b) First Amendment, dated as of April 15, 2005, to Indenture of Lease, dated as of March 7, 1997, by and between Syufy Enterprises, L.P., as landlord and Century Theatres, Inc., as tenant, for Century Sparks, Sparks, NV (incorporated by reference to Exhibit 10.26(b) to Amendment No. 3 to Cinemark Holdings, Inc.'s Registration Statement on Form S-1, File No. 333-140390, filed April 18, 2007).
- 10.26(c) Second Amendment, dated as of September 29, 2005, to Indenture of Lease, dated as of March 7, 1997, by and between Syufy Enterprises, L.P., as landlord and Century Theatres, Inc., as tenant, for Century Sparks, Sparks, NV (incorporated by reference to Exhibit 10.26(c) to Amendment No. 3 to Cinemark Holdings, Inc.'s Registration Statement on Form S-1, File No. 333-140390, filed April 18, 2007).
- 10.26(d) Third Amendment, dated as of August 7, 2006, to Indenture of Lease, dated as of March 7, 1997, by and between Syufy Enterprises, L.P., as landlord and Century Theatres, Inc., as tenant, for Century Sparks, Sparks, NV (incorporated by reference to Exhibit 10.26(d) to Amendment No. 5 to Cinemark Holdings, Inc.'s Registration Statement on Form S-1, File No. 333-140390, filed April 20, 2007).
- 10.27(a) Lease Agreement, dated as of October 1, 1996, by and between Syufy Enterprises, L.P.(succeeded by Stadium Promenade LLC), as landlord and Century Theatres, Inc., as tenant, for Century Stadium 25, Orange, CA (incorporated by reference to Exhibit 10.27(a) to Amendment No. 5 to Cinemark Holdings, Inc.'s Registration Statement on Form S-1, File No. 333-140390, filed April 20, 2007).
- 10.27(b) First Amendment, dated as of April 15, 2005, to Lease Agreement, dated as of October 1, 1996, by and between Syufy Enterprises, L.P.(succeeded by Stadium Promenade LLC), as landlord and Century Theatres, Inc., as tenant, for Century Stadium 25, Orange, (incorporated by reference to Exhibit 10.27(b) to Amendment No. 3 to Cinemark Holdings, Inc.'s Registration Statement on Form S-1, File No. 333-140390, filed April 18, 2007).
- 10.27(c) Second Amendment, dated as of September 29, 2005, to Lease Agreement, dated as of October 1, 1996, by and between Syufy Enterprises, L.P.(succeeded by Stadium Promenade LLC), as landlord and Century Theatres, Inc., as tenant, for Century Stadium 25, Orange, (incorporated by reference to Exhibit 10.27(c) to Amendment No. 3 to Cinemark Holdings, Inc.'s Registration Statement on Form S-1, File No. 333-140390, filed April 18, 2007).
- 10.27(d) Third Amendment, dated as of August 5, 2006, to Lease Agreement, dated as of October 1, 1996, by and between Syufy Enterprises, L.P.(succeeded by Stadium Promenade LLC), as landlord and Century Theatres, Inc., as tenant, for Century Stadium 25, Orange, (incorporated by reference to Exhibit 10.27(d) to Amendment No. 3 to Cinemark Holdings, Inc.'s Registration Statement on Form S-1, File No. 333-140390, filed April 18, 2007).
- 10.28(a) Indenture of Lease, dated as of July 1, 1996, by and between Synm Properties Inc.(succeeded by Syufy Properties, Inc.), as landlord and Century Theatres, Inc., as tenant, Century Rio 24, Albuquerque, NM (incorporated by reference to Exhibit 10.28(a) to Amendment No. 5 to Cinemark Holdings, Inc.'s Registration Statement on Form S-1, File No. 333-140390, filed April 20, 2007).
- 10.28(b) First Amendment, dated as of April 15, 2005, to Indenture of Lease, dated as of July 1, 1996, by and between Synm Properties Inc.(succeeded by Syufy Properties, Inc.), as landlord and Century Theatres, Inc., as tenant, Century Rio 24, Albuquerque, NM (incorporated by reference to Exhibit 10.28(b) to Amendment No. 3 to Cinemark Holdings, Inc.'s Registration Statement on Form S-1, File No. 333-140390, filed April 18, 2007).

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- 10.28(c) Second Amendment, dated as of September 29, 2005, to Indenture of Lease, dated as of July 1, 1996, by and between Synm Properties Inc.(succeeded by Syufy Properties, Inc.), as landlord and Century Theatres, Inc., as tenant, Century Rio 24, Albuquerque, NM (incorporated by reference to Exhibit 10.28(c) to Amendment No. 3 to Cinemark Holdings, Inc.'s Registration Statement on Form S-1, File No. 333-140390, filed April 18, 2007).
- 10.28(d) Third Amendment, dated as of August 7, 2006, to Indenture of Lease, dated as of July 1, 1996, by and between Synm Properties Inc.(succeeded by Syufy Properties, Inc.), as landlord and Century Theatres, Inc., as tenant, Century Rio 24, Albuquerque, NM (incorporated by reference to Exhibit 10.28(d) to Amendment No. 5 to Cinemark Holdings, Inc.'s Registration Statement on Form S-1, File No. 333-140390, filed April 20, 2007).
- 10.29(a) Indenture of Lease, dated as of September 3, 1996, by and between Syufy Enterprises, L.P., as landlord and Century Theatres, Inc., as tenant, for Century 14, Roseville, CA (incorporated by reference to Exhibit 10.29(a) to Amendment No. 5 to Cinemark Holdings, Inc.'s Registration Statement on Form S-1, File No. 333-140390, filed April 20, 2007).
- 10.29(b) First Amendment, dated as of April 15, 2005, to Indenture of Lease, dated as of September 3, 1996, by and between Syufy Enterprises, L.P., as landlord and Century Theatres, Inc., as tenant, for Century 14, Roseville, CA (incorporated by reference to Exhibit 10.29(b) to Amendment No. 3 to Cinemark Holdings, Inc.'s Registration Statement on Form S-1, File No. 333-140390, filed April 18, 2007).
- 10.29(c) Second Amendment, dated as of September 29, 2005, to Indenture of Lease, dated as of September 3, 1996, by and between Syufy Enterprises, L.P., as landlord and Century Theatres, Inc., as tenant, for Century 14, Roseville, CA (incorporated by reference to Exhibit 10.29(c) to Amendment No. 3 to Cinemark Holdings, Inc.'s Registration Statement on Form S-1, File No. 333-140390, filed April 18, 2007).
- 10.29(d) Third Amendment, dated as of August 7, 2006, to Indenture of Lease, dated as of September 3, 1996, by and between Syufy Enterprises, L.P., as landlord and Century Theatres, Inc., as tenant, for Century 14, Roseville, CA (incorporated by reference to Exhibit 10.29(d) to Amendment No. 5 to Cinemark Holdings, Inc.'s Registration Statement on Form S-1, File No. 333-140390, filed April 20, 2007).
- 10.30(a) Indenture of Lease, dated as of September 30, 1995, by and between Syufy Enterprises, L.P., as landlord and Century Theatres of Nevada, Inc., as tenant, for Rancho Santa Fe 16, Las Vegas, NV (incorporated by reference to Exhibit 10.30(a) to Amendment No. 5 to Cinemark Holdings, Inc.'s Registration Statement on Form S-1, File No. 333-140390, filed April 20, 2007).
- 10.30(b) First Amendment, dated as of September 1, 2000, to Indenture of Lease, dated as of September 30, 1995, by and between Syufy Enterprises, L.P., as landlord and Century Theatres of Nevada, Inc., as tenant, for Rancho Santa Fe 16, Las Vegas, NV (incorporated by reference to Exhibit 10.30(b) to Amendment No. 5 to Cinemark Holdings, Inc.'s Registration Statement on Form S-1, File No. 333-140390, filed April 20, 2007).
- 10.30(c) Second Amendment, dated as of September 30, 2006, to Indenture of Lease, dated as of September 30, 1995, by and between Syufy Enterprises, L.P., as landlord and Century Theatres of Nevada, Inc., as tenant, for Rancho Santa Fe 16, Las Vegas, NV (incorporated by reference to Exhibit 10.30(c) to Amendment No. 5 to Cinemark Holdings, Inc.'s Registration Statement on Form S-1, File No. 333-140390, filed April 20, 2007).
- 10.31(a) Indenture of Lease, dated as of September 30, 1995, by and between Syufy Enterprises, L.P., as landlord and Century Theatres of California, Inc., as tenant, for Century Stadium 16, Ventura, CA (incorporated by reference to Exhibit 10.31(a) to Amendment No. 5 to Cinemark Holdings, Inc.'s Registration Statement on Form S-1, File No. 333-140390, filed April 20, 2007).

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- 10.31(b) First Amendment, dated as of October 1, 1996, to Indenture of Lease, dated as of September 30, 1995, by and between Syufy Enterprises, L.P., as landlord and Century Theatres of California, Inc., as tenant, for Century Stadium 16, Ventura, CA (incorporated by reference to Exhibit 10.31(b) to Amendment No. 5 to Cinemark Holdings, Inc.'s Registration Statement on Form S-1, File No. 333-140390, filed April 20, 2007).
- 10.31(c) Second Amendment, dated as of September 1, 2000, to Indenture of Lease, dated as of September 30, 1995, by and between Syufy Enterprises, L.P., as landlord and Century Theatres of California, Inc., as tenant, for Century Stadium 16, Ventura, CA (incorporated by reference to Exhibit 10.31(c) to Amendment No. 5 to Cinemark Holdings, Inc.'s Registration Statement on Form S-1, File No. 333-140390, filed April 20, 2007).
- 10.31(d) Third Amendment, dated as of April 15, 2005, to Indenture of Lease, dated as of September 30, 1995, by and between Syufy Enterprises, L.P., as landlord and Century Theatres of California, Inc., as tenant, for Century Stadium 16, Ventura, CA (incorporated by reference to Exhibit 10.31(d) to Amendment No. 3 to Cinemark Holdings, Inc.'s Registration Statement on Form S-1, File No. 333-140390, filed April 18, 2007).
- 10.31(e) Fourth Amendment, dated as of August 7, 2006, to Indenture of Lease, dated as of September 30, 1995, by and between Syufy Enterprises, L.P., as landlord and Century Theatres of California, Inc., as tenant, for Century Stadium 16, Ventura, CA (incorporated by reference to Exhibit 10.31(e) to Amendment No. 5 to Cinemark Holdings, Inc.'s Registration Statement on Form S-1, File No. 333-140390, filed April 20, 2007).
- 10.32(a) Indenture of Lease, dated as of September 30, 1995, by and between Syufy Enterprises, L.P., as landlord and Century Theatres of California, Inc., as tenant, for Northridge 14, Salinas, CA (incorporated by reference to Exhibit 10.32(a) to Amendment No. 5 to Cinemark Holdings, Inc.'s Registration Statement on Form S-1, File No. 333-140390, filed April 20, 2007).
- 10.32(b) First Amendment, dated as of September 1, 2000, to Indenture of Lease, dated as of September 30, 1995, by and between Syufy Enterprises, L.P., as landlord and Century Theatres of California, Inc., as tenant, for Northridge 14, Salinas, CA (incorporated by reference to Exhibit 10.32(b) to Amendment No. 5 to Cinemark Holdings, Inc.'s Registration Statement on Form S-1, File No. 333-140390, filed April 20, 2007).
- 10.32(c) Second Amendment, dated as of October 1, 2001, to Indenture of Lease, dated as of September 30, 1995, by and between Syufy Enterprises, L.P., as landlord and Century Theatres of California, Inc., as tenant, for Northridge 14, Salinas, CA (incorporated by reference to Exhibit 10.32(c) to Amendment No. 3 to Cinemark Holdings, Inc.'s Registration Statement on Form S-1, File No. 333-140390, filed April 18, 2007).
- 10.32(d) Third Amendment, dated as of August 7, 2006, to Indenture of Lease, dated as of September 30, 1995, by and between Syufy Enterprises, L.P., as landlord and Century Theatres of California, Inc., as tenant, for Northridge 14, Salinas, CA (incorporated by reference to Exhibit 10.32(d) to Amendment No. 5 to Cinemark Holdings, Inc.'s Registration Statement on Form S-1, File No. 333-140390, filed April 20, 2007).
- 10.33(a) Indenture of Lease, dated as of September 30, 1995, by and between Syufy Properties, Inc. (succeeded by Syufy Enterprises, L.P.), as landlord and Century Theatres of Utah, Inc., as tenant, for Century 16, Salt Lake City, UT (incorporated by reference to Exhibit 10.33(a) to Amendment No. 5 to Cinemark Holdings, Inc.'s Registration Statement on Form S-1, File No. 333-140390, filed April 20, 2007).
- 10.33(b) First Amendment, dated as of January 4, 1998, to Indenture of Lease, dated as of September 30, 1995, by and between Syufy Properties, Inc. (succeeded by Syufy Enterprises, L.P.), as landlord and Century Theatres of Utah, Inc., as tenant, for Century 16, Salt Lake City, UT (incorporated by reference to Exhibit 10.33(b) to Amendment No. 3 to Cinemark Holdings, Inc.'s Registration Statement on Form S-1, File No. 333-140390, filed April 18, 2007).

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- 10.33(c) Second Amendment, dated as of September 1, 2000, to Indenture of Lease, dated as of September 30, 1995, by and between Syufy Properties, Inc. (succeeded by Syufy Enterprises, L.P.), as landlord and Century Theatres of Utah, Inc., as tenant, for Century 16, Salt Lake City, UT (incorporated by reference to Exhibit 10.33(c) to Amendment No. 5 to Cinemark Holdings, Inc.'s Registration Statement on Form S-1, File No. 333-140390, filed April 20, 2007).
- 10.33(d) Third Amendment, dated as of April 15, 2005, to Indenture of Lease, dated as of September 30, 1995, by and between Syufy Properties, Inc. (succeeded by Syufy Enterprises, L.P.), as landlord and Century Theatres of Utah, Inc., as tenant, for Century 16, Salt Lake City, UT (incorporated by reference to Exhibit 10.33(d) to Amendment No. 3 to Cinemark Holdings, Inc.'s Registration Statement on Form S-1, File No. 333-140390, filed April 18, 2007).
- 10.33(e) Fourth Amendment, dated as of April 15, 2005, to Indenture of Lease, dated as of September 30, 1995, by and between Syufy Properties, Inc. (succeeded by Syufy Enterprises, L.P.), as landlord and Century Theatres of Utah, Inc., as tenant, for Century 16, Salt Lake City, UT (incorporated by reference to Exhibit 10.33(e) to Amendment No. 3 to Cinemark Holdings, Inc.'s Registration Statement on Form S-1, File No. 333-140390, filed April 18, 2007).
- 10.33(f) Fourth Amendment, dated as of August 7, 2006, to Indenture of Lease, dated as of September 30, 1995, by and between Syufy Properties, Inc. (succeeded by Syufy Enterprises, L.P.), as landlord and Century Theatres of Utah, Inc., as tenant, for Century 16, Salt Lake City, UT (incorporated by reference to Exhibit 10.33(f) to Amendment No. 5 to Cinemark Holdings, Inc.'s Registration Statement on Form S-1, File No. 333-140390, filed April 20, 2007).
- 10.34(a) Indenture of Lease, dated as of April 17, 1998, by and between Syufy Enterprises, L.P., as landlord and Century Theatres, Inc., as tenant, for Century Larkspur, Larkspur, CA (incorporated by reference to Exhibit 10.34(a) to Amendment No. 5 to Cinemark Holdings, Inc.'s Registration Statement on Form S-1, File No. 333-140390, filed April 20, 2007).
- 10.34(b) First Amendment, dated as of April 30, 2003, to Indenture of Lease, dated as of April 17, 1998, by and between Syufy Enterprises, L.P., as landlord and Century Theatres, Inc., as tenant, for Century Larkspur, Larkspur, CA (incorporated by reference to Exhibit 10.34(b) to Amendment No. 5 to Cinemark Holdings, Inc.'s Registration Statement on Form S-1, File No. 333-140390, filed April 20, 2007).
- 10.34(c) Second Amendment, dated as of April 15, 2005, to Indenture of Lease, dated as of April 17, 1998, by and between Syufy Enterprises, L.P., as landlord and Century Theatres, Inc., as tenant, for Century Larkspur, Larkspur, CA (incorporated by reference to Exhibit 10.34(c) to Amendment No. 5 to Cinemark Holdings, Inc.'s Registration Statement on Form S-1, File No. 333-140390, filed April 20, 2007).
- 10.34(d) Third Amendment, dated as of September 29, 2005, to Indenture of Lease, dated as of April 17, 1998, by and between Syufy Enterprises, L.P., as landlord and Century Theatres, Inc., as tenant, for Century Larkspur, Larkspur, CA (incorporated by reference to Exhibit 10.34(d) to Amendment No. 3 to Cinemark Holdings, Inc.'s Registration Statement on Form S-1, File No. 333-140390, filed April 18, 2007).
- 10.34(e) Fourth Amendment, dated as of August 7, 2006, to Indenture of Lease, dated as of April 17, 1998, by and between Syufy Enterprises, L.P., as landlord and Century Theatres, Inc., as tenant, for Century Larkspur, Larkspur, CA (incorporated by reference to Exhibit 10.34(e) to Amendment No. 5 to Cinemark Holdings, Inc.'s Registration Statement on Form S-1, File No. 333-140390, filed April 20, 2007).
- 10.35(a) Indenture of Lease, dated as of August 1, 1997, by and between Syufy Enterprises, L.P., as landlord and Century Theatres, Inc., as tenant, for Century Park Lane 16, Reno, NV (incorporated by reference to Exhibit 10.35(a) to Amendment No. 5 to Cinemark Holdings, Inc.'s Registration Statement on Form S-1, File No. 333-140390, filed April 20, 2007).

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- 10.35(b) First Amendment, dated as of April 15, 2005, to Indenture of Lease, dated as of August 1, 1997, by and between Syufy Enterprises, L.P., as landlord and Century Theatres, Inc., as tenant, for Century Park Lane 16, Reno, NV (incorporated by reference to Exhibit 10.35(b) to Amendment No. 3 to Cinemark Holdings, Inc.'s Registration Statement on Form S-1, File No. 333-140390, filed April 18, 2007).
- 10.35(c) Second Amendment, dated as of September 29, 2005, to Indenture of Lease, dated as of August 1, 1997, by and between Syufy Enterprises, L.P., as landlord and Century Theatres, Inc., as tenant, for Century Park Lane 16, Reno, NV (incorporated by reference to Exhibit 10.35(c) to Amendment No. 3 to Cinemark Holdings, Inc.'s Registration Statement on Form S-1, File No. 333-140390, filed April 18, 2007).
- 10.35(d) Third Amendment, dated as of August 7, 2006, to Indenture of Lease, dated as of August 1, 1997, by and between Syufy Enterprises, L.P., as landlord and Century Theatres, Inc., as tenant, for Century Park Lane 16, Reno, NV (incorporated by reference to Exhibit 10.35(d) to Amendment No. 5 to Cinemark Holdings, Inc.'s Registration Statement on Form S-1, File No. 333-140390, filed April 20, 2007).
- 10.36(a) Indenture of Lease, dated as of September 30, 1995, by and between Syufy Enterprises, L.P., as landlord and Century Theatres of California, Inc., as tenant, for Century 16, Sacramento, CA (incorporated by reference to Exhibit 10.36(a) to Amendment No. 5 to Cinemark Holdings, Inc.'s Registration Statement on Form S-1, File No. 333-140390, filed April 20, 2007).
- 10.36(b) First Amendment, dated as of September 1, 2000, to Indenture of Lease, dated as of September 30, 1995, by and between Syufy Enterprises, L.P., as landlord and Century Theatres of California, Inc., as tenant, for Century 16, Sacramento, CA (incorporated by reference to Exhibit 10.36(b) to Amendment No. 5 to Cinemark Holdings, Inc.'s Registration Statement on Form S-1, File No. 333-140390, filed April 20, 2007).
- 10.36(c) Second Amendment, dated as of October 1, 2001, to Indenture of Lease, dated as of September 30, 1995, by and between Syufy Enterprises, L.P., as landlord and Century Theatres of California, Inc., as tenant, for Century 16, Sacramento, CA (incorporated by reference to Exhibit 10.36(c) to Amendment No. 3 to Cinemark Holdings, Inc.'s Registration Statement on Form S-1, File No. 333-140390, filed April 18, 2007).
- 10.36(d) Third Amendment, dated as of April 15, 2005, to Indenture of Lease, dated as of September 30, 1995, by and between Syufy Enterprises, L.P., as landlord and Century Theatres of California, Inc., as tenant, for Century 16, Sacramento, CA (incorporated by reference to Exhibit 10.36(d) to Amendment No. 3 to Cinemark Holdings, Inc.'s Registration Statement on Form S-1, File No. 333-140390, filed April 18, 2007).
- 10.36(e) Fourth Amendment, dated as of September 29, 2005, to Indenture of Lease, dated as of September 30, 1995, by and between Syufy Enterprises, L.P., as landlord and Century Theatres of California, Inc., as tenant, for Century 16, Sacramento, CA (incorporated by reference to Exhibit 10.36(e) to Amendment No. 3 to Cinemark Holdings, Inc.'s Registration Statement on Form S-1, File No. 333-140390, filed April 18, 2007).
- 10.36(f) Fifth Amendment, dated as of August 7, 2006, to Indenture of Lease, dated as of September 30, 1995, by and between Syufy Enterprises, L.P., as landlord and Century Theatres of California, Inc., as tenant, for Century 16, Sacramento, CA (incorporated by reference to Exhibit 10.36(f) to Amendment No. 5 to Cinemark Holdings, Inc.'s Registration Statement on Form S-1, File No. 333-140390, filed April 20, 2007).
- 10.37(a) Lease Agreement, dated as of October 31, 1997, by and between Syufy Properties, Inc. (succeeded by 150 Pelican LLC), as landlord and Century Theatres, Inc., as tenant, for office building situated at 150 Pelican Way, San Rafael, CA (incorporated by reference to Exhibit 10.37(a) to Amendment No. 3 to Cinemark Holdings, Inc.'s Registration Statement on Form S-1, File No. 333-140390, filed April 18, 2007).

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10.37(b)	First Amendment, dated as of December 1, 1998, to Lease Agreement, dated as of October 31, 1997, by and between Syufy Properties, Inc. (succeeded by 150 Pelican LLC), as landlord and Century Theatres, Inc., as tenant, for office building situated at 150 Pelican Way, San Rafael, CA (incorporated by reference to Exhibit 10.37(b) to Amendment No. 3 to Cinemark Holdings, Inc.'s Registration Statement on Form S-1, File No. 333-140390, filed April 18, 2007).
+10.38	Consulting Agreement, dated as of February 15, 2012, between Cinemark Holdings, Inc. and Alan Stock (incorporated by reference to Exhibit 10.1 to Cinemark Holdings, Inc.'s Current Report on Form 8-K, File No. 001-33401, filed February 16, 2012).
+10.39	Cinemark Holdings, Inc. Performance Bonus Plan (incorporated by reference to Appendix B to Cinemark Holdings, Inc.'s Definitive Proxy Statement filed on April 15, 2008).
*+10.40	Amended and Restated Non-Employee Director Compensation Policy.
+10.41	Amended and Restated Employment Agreement, dated as of March 30, 2012, between Cinemark Holdings, Inc. and Timothy Warner (incorporated by reference to Exhibit 10.1 to Cinemark Holdings, Inc.'s Current Report on Form 8K, File No. 001-33401, filed April 2, 2012).
*+10.42	Second Amended and Restated Employment Agreement, dated as of January 21, 2014, between Cinemark Holdings, Inc. and Timothy Warner.
*+10.43	Amended and Restated Employment Agreement, dated as of January 21, 2014, between Cinemark Holdings, Inc. and Robert Cople.
+10.44	First Amendment to the Amended and Restated 2006 Long Term Incentive Plan (incorporated by reference to Exhibit 10.1 to Cinemark Holdings, Inc.'s Current Report on Form 8-K, File No. 001-33401, filed February 18, 2014).
*10.45	Amended and Restated Exhibitor Services Agreement between National CineMedia, LLC and Cinemark USA, Inc., dated as of December 26, 2013.
*12	Calculation of Ratio of Earnings to Fixed Charges.
*21	Subsidiaries of Cinemark Holdings, Inc.
*23.1	Consent of Deloitte & Touche LLP.
*31.1	Certification of Timothy Warner, 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 Timothy Warner, Chief Executive Officer, pursuant to 18 U.S.C. Section 1350, as added by Section 906 of the Sarbanes-Oxley Act of 2002.
*32.2	Certification of Robert Cople, Chief Financial Officer, pursuant to 18 U.S.C. Section 1350, as added by Section 906 of the Sarbanes-Oxley Act of 2002.
*101	The following financial information from Cinemark Holdings, Inc.'s Annual Report on Form 10-K for the year ended December 31, 2013 filed with the SEC on February 28, 2014, formatted in XBRL includes: (i) Consolidated Balance Sheets (ii) Consolidated Statements of Income, (iii) Consolidated Statements of Comprehensive Income, (iv) Consolidated Statements of Equity, (v) Consolidated Statements of Cash Flows and (vi) the Notes to Consolidated Financial Statements tagged as detailed text.
*	Filed herewith.
+	Any management contract, compensatory plan or arrangement.

## CINEMARK HOLDINGS, INC.

AMENDED AND RESTATED NON-EMPLOYEE DIRECTOR  
COMPENSATION POLICY

Effective as of September 30, 2013

- Introduction:** In order to advance the interests of Cinemark Holdings, Inc. (the “*Company*”) and its stockholders by aligning the interests of the Company and its stockholders with Non-Employee Directors and enhancing the ability of the Company and its Subsidiaries to attract and retain qualified Non-Employee Directors, the Company has adopted this Non-Employee Director Compensation Policy (this “*Policy*”), by which Non-Employee Directors are compensated for their service to the Company.
- Eligibility:** Only those members of the Company’s board of directors (the “*Board*”) who constitute Non-Employee Directors are eligible to receive compensation under this Policy. For purposes of this Policy, “*Non-Employee Director*” means any member of the Board of Directors of the Company (the “*Board*”) who (i) is not an employee of the Company or any of its Subsidiaries; and (ii) is not an employee of any the Company’s stockholders with contractual rights to nominate directors (a “*Significant Stockholder*”). Directors who are employees of the Company, any of its Subsidiaries, or any of its Significant Stockholders are not entitled to additional compensation on account of such director’s service on the Board. In addition, no additional compensation shall be paid to any member of the Board who serves as a director of any subsidiary of the Company.
- Cash Compensation:** Each Non-Employee Director shall be entitled to receive the following annual compensation (as applicable to such Non-Employee Director) in connection with the service of such Non-Employee Director as a member of the Board:
- (a) A base director retainer of \$50,000;
  - (b) An additional retainer of \$20,000 if such Non-Employee Director serves as the chairman of the Audit Committee of the Board (the “**Audit Committee**”);
  - (c) An additional retainer of \$10,000 if such Non-Employee Director serves as a member of the Audit Committee, other than the chairman of the Audit Committee;

- (d) An additional retainer of \$10,000 if such Non-Employee Director serves as the chairman of the Compensation Committee of the Board (the “**Compensation Committee**”);
- (e) An additional retainer of \$5,000 if such Non-Employee Director serves as a member of the Compensation Committee, other than the chairman of the Compensation Committee;
- (f) An additional retainer of \$10,000 if such Non-Employee Director serves as the chairman of the Nominating and Corporate Governance Committee of the Board (the “**Governance Committee**”);
- (g) An additional retainer of \$5,000 if such Non-Employee Director serves as a member of the Governance Committee;
- (h) An additional retainer of \$10,000 if such Non-Employee Director serves as the chairman of the Strategic Planning Committee of the Board;
- (i) An additional retainer of \$5,000 if such Non-Employee Director serves as a member of the Strategic Planning Committee;
- (j) An additional retainer of \$10,000 if such Non-Employee Director serves as the chairman of the New Ventures Committee of the Board;
- (k) An additional retainer of \$5,000 if such Non-Employee Director serves as a member of the New Ventures Committee;

**Cash Payment:**

Each Non-Employee Director shall be paid the amount of cash retainer applicable to such Non-Employee Director in four (4) equal quarterly payments to be made on the fifth (5<sup>th</sup>) business day following the end of each fiscal quarter of the Company during which such Non-Employee Director has continuously served as a member of the Board (or applicable committee of the Board), or as soon thereafter as is administratively possible. Notwithstanding anything in this Policy to the contrary, in the event a Non-Employee Director assumes or vacates a position on the Board or one of its committees during a quarter, such Non-Employee Director shall be entitled to a prorated portion of the cash compensation for such position for that quarter based on the percentage of days in that quarter during which such Non-Employee Director served in the position for which the cash retainer is payable under this Policy.

**Expense Reimbursement:**

All Non-Employee Directors shall be entitled to reimbursement from the Company for their reasonable travel (including airfare and ground transportation), lodging and meal expenses incident to attending meetings of the Board or committees thereof or in connection with other Board related business. The Company shall also reimburse directors for attendance at director continuing education programs that are relevant to their service on the Board and which attendance is pre-approved by the chairman of the Nominating and Corporate Governance Committee or chairman of the Board. The Company shall make reimbursement to a Non-Employee Director within a reasonable amount of time following submission by the Non-Employee Director of reasonable written substantiation for the expenses.

**Restricted Shares:**

Promptly following the initial election of a Non-Employee Director to the Board, or promptly following a Board member meeting the criteria of a Non-Employee Director, such Non-Employee Director shall receive a grant of Restricted Shares of the Company's Common Stock valued at \$100,000 (the "*Initial Award*") and thereafter, promptly following the anniversary of the date of election to the Board a continuing Non-Employee Director shall receive a grant of Restricted Shares of the Company's Common Stock valued at \$100,000 (the "*Annual Award*"). The valuation date of the Restricted Shares will be the date of grant of such Restricted Shares. The number of Restricted Shares to be issued will be determined by dividing \$100,000 by the Fair Market Value of a share of Common Stock on the valuation date. The Initial Award shall vest on a date determined by the Board and each Annual Award shall vest on the first anniversary of the date of the grant, subject to the Non-Employee Director's continued service to the Company through the vesting dates. All grants of Restricted Shares shall be made pursuant to the Company's Amended and Restated 2006 Long Term Incentive Plan (the "*Amended and Restated Plan*"). Under the Amended and Restated Plan, grants of Restricted Shares are governed by individual Restricted Share Award Agreements between the Company and a Participant. The descriptions of these grants set forth above are qualified in their entirety by reference to the Amended and Restated Plan and the applicable Restricted Share Award Agreement issued thereunder.

**Annual Review:**

This Policy shall be reviewed annually by the Compensation Committee and modified as necessary to ensure its terms remain consistent with the stated interests of the Company and its stockholders. The Compensation Committee shall have the power to construe this Policy to determine all questions arising thereunder, and to adopt and amend such rules and regulations for the administration of this Policy as it may deem desirable. The Compensation Committee shall determine the members of the Board who qualify as Non-Employee Directors and are eligible to receive compensation under the terms of this Policy. Any decisions of the Compensation Committee in the administration of this Policy shall be final and conclusive. The Compensation Committee may authorize one or more of its members or any officer of the Company to execute and deliver documents on its behalf. No member of the Compensation Committee shall be liable for anything done or omitted to be done by such member or by any other member of the Board or the Compensation Committee in connection with this Policy, except for such member's own willful misconduct or

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gross negligence (unless the Company's Certificate of Incorporation or Bylaws, or any indemnification agreement between the Company and such person, in each case in accordance with applicable law, provides otherwise). The Compensation Committee shall have the power to engage outside consultants, auditors or other professional help to assist in the fulfillment of the duties of the Compensation Committee under this Policy at the Company's expense.

**Capitalized Terms:**

Capitalized terms used not defined in this Policy have the meanings ascribed to them in the Amended and Restated Plan.

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**IN WITNESS WHEREOF**, upon authorization of the Compensation Committee of the Board, the undersigned has caused this Cinemark Holdings, Inc. Non-Employee Director Compensation Policy, to be executed effective on the 30th day of September, 2013.

**CINEMARK HOLDINGS, INC.**

By: /s/ Michael D. Cavalier  
Name: Michael D. Cavalier  
Title: SVP-General Counsel and Secretary

*Signature Page to  
Cinemark Holdings, Inc. Non-Employee Director Compensation Policy*

**SECOND AMENDED AND RESTATED  
EMPLOYMENT AGREEMENT**

THIS SECOND AMENDED AND RESTATED EMPLOYMENT AGREEMENT (this "*Agreement*") is made and entered into as of January 21, 2014 (the "*Effective Date*"), by and between Cinemark Holdings, Inc., a Delaware corporation (the "*Company*"), and Timothy Warner ("*Executive*").

**W I T N E S S E T H:**

**WHEREAS**, the Company and Executive are parties to an Amended and Restated Employment Agreement dated as of March 30, 2012, which arrangement sets forth the terms and conditions of Executive's employment with the Company (the "*Prior Agreement*"); and

**WHEREAS**, the parties desire to enter into this Agreement to replace and supersede the Prior 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 Board of Directors 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 until April 1, 2016. References in this Agreement to the “balance of the Term” shall mean the period of time remaining in the Term.

3. Compensation.

3.1 Base Salary. During the Term, the Company will pay to Executive a base salary at the rate of \$800,000 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 senior executives of the Company, including 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; provided, however, Executive’s target bonus shall not be less than 100% of Executive’s Base Salary and Executive’s maximum target shall not be less than 150% of Executive’s Base Salary. 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; provided, however, (i) Equity Awards shall be at least 200% of Executive’s Base Salary and (ii) Equity Awards shall not contain time based vesting provisions exceeding four years and will vest in equal amounts annually during the established vesting term. Executive has received prior grants of Equity Awards which shall continue to be subject to the terms of the award agreement under which such Equity Awards were issued and 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.

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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, subject to Section 5.4 hereof, 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, Executive shall be permitted to terminate Executive's employment hereunder for Good Reason (as hereinafter defined) or Executive's employment hereunder shall terminate at the end of the Term. 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 or if Executive's employment terminates at the end of the Term, Executive shall be entitled to receive the payments and benefits set forth in this Section 5.4.

(a) 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) Executive's annual Base Salary in effect as of the date of such termination, payable in accordance with the Company's normal payroll practices; through the end of the term, 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) 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 (24) 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. If during the Term executives of the Company are offered the right to participate in the Company's welfare plan and insurance programs after the end of their employment on the same terms and during the periods that active employees are permitted to participate in such plans or programs, the Company shall offer such Executive such participation and agrees to modify this Agreement accordingly if Executive accepts such participation; and

(iv) Any outstanding Equity Award with time based vesting provisions granted to Executive shall immediately become vested as of the termination date. 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, such Equity Awards shall become immediately and fully vested without regard to any continued employment requirement once the performance provisions have been attained and certified by the compensation committee of the Company.

(b) 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.

(c) "**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); provided, however, the hiring, retention and election of a President and Chief Operating Officer shall not constitute a significant reduction in duties, responsibilities or effective authority for purposes of this definition; (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) subject to (i) above, 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 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

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Power then exceeds the combined beneficial ownership (as so defined) of Voting Power of 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 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: General Counsel

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 Prior Agreement, 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 Effective Date. 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 Prior Agreement by and between the Company 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.

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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.

**[Signature Page Follows]**

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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/ Michael Cavalier  
Name: Michael Cavalier  
Title: Senior Vice President – General Counsel

**EXECUTIVE:**

/s/ Timothy Warner  
Timothy Warner

## EMPLOYMENT AGREEMENT

THIS AMENDED AND RESTATED EMPLOYMENT AGREEMENT (this "*Agreement*") is made and entered into as of January 21, 2014 (the "*Effective Date*"), by and between Cinemark Holdings, Inc., a Delaware corporation (the "*Company*"), and Robert Copple ("*Executive*").

## WITNESSETH:

**WHEREAS**, The Company and Executive are parties to an Employment Agreement dated as of June 16, 2008, which sets forth the terms and conditions of Executive's employment with the Company. (the "*Prior Agreement*"); and

**WHEREAS**, the parties desire to enter into this Agreement to replace and supersede the Prior 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, and Chief Financial Officer of the Company until a new Chief Financial Officer is hired by 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 and shall continue for a period of three (3) years thereafter (the “**Term**”); provided, however, that on the second anniversary of the Effective Date and on each anniversary of the Effective Date thereafter, the Term shall be automatically 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 “**Term**” or “**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 \$600,000 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, 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; provided, however, Executive's target bonus shall not be less than 100% of Executive's Base Salary and the maximum target shall not be less than 150% of Executive's Base Salary. 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; provided, however (i) Equity Awards shall be at least 150% of Executive's Base Salary and (ii) Equity Awards shall not contain time based vesting provisions exceeding four (4) years. 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.

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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); provided, however, the hiring retention and election of a Chief Financial Officer shall not constitute a significant reduction in duties, responsibilities or effective authority for purposes of this definition; (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; provided, however, the hiring retention and election of a Chief Financial Officer shall not constitute a significant reduction in duties, responsibilities or effective authority for purposes of this definition; (iv) Executive's compensation opportunity (other than Base Salary, which is governed by [Section 3.1](#)) or benefits provided for hereunder are materially decreased; (v) the Company transfers Executive's primary workplace from the Company's headquarters in Dallas/Plano, Texas area; or (vi) the Chief Executive Officer as of the date of this Agreement either resigns, retires, is terminated, dies or becomes disabled and Executive is not named as the Chief Executive Officer of the Company within thirty (30) days of the occurrence of such event or the Company elects or appoints a new Chief Executive Officer during the Term other than Executive. 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 (x) with respect to those events specified in (i) – (v) above 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 or (y) with respect to the event specified in (vi) above within one (1) year following the date on which such event constituting Good Reason occurs. In the event of a termination for Good Reason with respect to the event specified in (vi) above the Company and Executive shall mutually agree, both parties acting reasonably, upon a time frame and compensation in addition to the termination payments under section 5.4 for Executive to remain with the Company to ensure an orderly transition, not to exceed one (1) year.

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 any entity or organization controlled by 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

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more than thirty percent (30%) of the Voting Power then exceeds the combined beneficial ownership (as so defined) of Voting Power of 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 Prior Agreement, 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 Effective Date. 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 Prior Agreement, 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

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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/ Michael Cavalier  
Name: Michael Cavalier  
Title: Senior Vice President – General Counsel

**EXECUTIVE:**

/s/ Robert Copple  
Robert Copple

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

AMENDED AND RESTATED  
EXHIBITOR SERVICES AGREEMENT  
BETWEEN NATIONAL CINEMEDIA, LLC AND  
CINEMARK USA, INC.  
DATED AS OF FEBRUARY 13, 2007  
AND  
AMENDED AND RESTATED AS OF DECEMBER 26, 2013

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Schedule 3.06(a)	Auditoriums containing Digital Cinema Equipment
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Schedule 3	“Dual Interface” Architecture
Schedule 4	“Low Resolution Projection System”
Schedule A	DCN Advertising Equipment List

**AMENDED AND RESTATED  
EXHIBITOR SERVICES AGREEMENT**

THIS AMENDED AND RESTATED EXHIBITOR SERVICES AGREEMENT (this "Agreement") is entered into as of December 26, 2013 (the "Restated Effective Date") by and between National CineMedia, LLC, a Delaware limited liability company ("LLC"), and Cinemark USA, Inc., a Texas corporation ("Cinemark," and with LLC, each a "Party" and collectively, the "Parties").

**BACKGROUND**

WHEREAS, American Multi-Cinema, Inc. ("AMC"), AMC Showplace Theatres, Inc. ("AMC Showplace"), Regal Cinemas, Inc. ("Regal"), Regal CineMedia Holdings, LLC ("RCH") and Cinemark Media, Inc. ("Cinemark Media") are parties to that certain Third Amended and Restated Limited Liability Company Operating Agreement, dated as of February 13, 2007, as amended (the "LLC Agreement"), which governs the rights and obligations of AMC, AMC Showplace, Regal, RCH and Cinemark Media (collectively, the "Founding Members") and National CineMedia, Inc. ("National CineMedia") as Members of the LLC; and

WHEREAS, LLC and Cinemark are parties to that certain Exhibitor Services Agreement dated as of February 13, 2007 (the "Original Agreement"), which has been subsequently amended by the Amendments (as defined below), pursuant to which LLC provides Cinemark certain advertising and digital programming services; and

WHEREAS, LLC and Cinemark are parties to that certain Amendment to Exhibitor Services Agreement dated as of November 5, 2008 (the "First Amendment"); and

WHEREAS, LLC and Cinemark are parties to that certain Second Amendment to Exhibitor Services Agreement dated as of October 1, 2010 (the "Second Amendment"); and

WHEREAS, LLC and Cinemark are parties to that certain Third Amendment to Exhibitor Services Agreement dated as of April 17, 2012 (the "Third Amendment"; the First Amendment, the Second Amendment and the Third Amendment are referred to herein as the "Amendments"); and

WHEREAS, in anticipation of (a) the assignment of LLC's rights and obligations under the Original Agreement, as amended by the Amendments, with respect to digital programming services to Alternative Content JV (as defined herein), (b) the assumption by Alternative Content JV of such rights and obligations and (c) LLC and Alternative Content JV entering into the Alternative Content Services Agreement (as defined herein), the Parties are hereby (x) dividing the Original Agreement, as amended by the Amendments, into two separate agreements, one of which will address rights and obligations of the Parties related to Advertising Services (as defined herein) and the other of which will address rights and obligations of the Parties related to digital programming services, (y) incorporating the Amendments (to the extent relating to Advertising Services) into this Agreement and amending and restating the Parties' respective rights and obligations as they relate to Advertising Services in this Agreement, and (z) incorporating the Amendments (to the extent relating to digital programming services) into, and amending and restating the Parties' respective rights and obligations as they relate to digital programming services in, a Digital Programming Exhibitor Services Agreement (as defined herein); and

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

## ARTICLE 1

### DEFINITIONS

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

“**3D**” means a digital format that is three dimensional and creates the illusion of depth perception.

“**3D Advertising Services**” has the meaning assigned to it in Section 4 of Exhibit A.

“**3D Content**” has the meaning assigned to it in Section 4.16(a).

“**3D Glasses**” means glasses worn by theatre patrons to enable them to view content in 3D that meet or exceed 3D Equipment supplier’s specifications and are approved by Exhibitor.

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

“**ACE Solution**” means a delivery system in which the DCN screen player is eliminated, and the ACE (also referred to as an alternative content engine) interfaces directly with the TMS, as illustrated on Schedule 2. The ACE Solution is also known as “fully integrated”.

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

“**Additional Lobby Promotions**” has the meaning assigned to it in Section 4.02(b).

“**Administrative Agent**” means (i) Barclays Bank PLC as administrative agent under the LLC Credit Agreement and any successors and assignees in accordance with the terms of the LLC Credit Agreement, (ii) Barclays Bank PLC as collateral agent with respect to the Senior Secured Notes and any successors and assignees in accordance with the terms of the Senior Secured Notes and (iii) any administrative agent or collateral agent that becomes party to any other secured debt to be entered into or issued by LLC after the Restated Effective Date.

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

“**Advertising Services**” means the advertising and promotional services (including the Digital Content Service, the Digital Carousel, the Traditional Content Program, Lobby Promotions, Event Sponsorships, Event Simulcast Advertising Services and 3D Advertising Services) as described in Exhibit A.

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

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

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

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

“**Alternative Content JV**” means AC JV, LLC, a Delaware limited liability company, and its successors and assigns.

“**Alternative Content Services Agreement**” means that certain services agreement entered into between Alternative Content JV and LLC dated as of the date hereof pursuant to which, among other things, LLC shall provide Alternative Content JV with the advertising inventory described therein.

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

“**AMC Showplace**” has the meaning assigned to it in the recitals to this Agreement.

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

“**Amendments**” has the meaning assigned to it in the recitals to this Agreement.

“**Assignment and Assumption**” has the meaning assigned to it in Section 15.08.

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

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“**Beverage Agreement**” means the Marketing, Advertising and Brand Presence Agreement by and between Coca-Cola North America, a division of The Coca-Cola Company, and Cinemark, dated as of January 1, 2009 and all exhibits and amendments thereto, as such agreement may be amended from time to time, and any subsequent agreements entered into by Cinemark and its beverage concessionaires at the expiration or termination of the agreement referenced above which is in effect on the Restated Effective Date.

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

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

“**Brand**” has the meaning assigned to it in Section 4.05(a).

“**Branded Slots**” has the meaning assigned to it in Section 4.05(a).

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

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

“**Cinemark Equipment**” means the Equipment owned by Cinemark.

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

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

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

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

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

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

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

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

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

“**Common Unit Adjustment**” has the meaning assigned to it in the LLC Agreement.

“**Common Units**” has the meaning assigned to in the LLC Agreement.

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

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

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

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

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

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

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

“**DCI Spec Compliance**” means compliance with (i) the Digital Cinema Specification Version 1.2 released on March 7, 2008 by Digital Cinema Initiatives, LLC and its errata; (ii) the DCI Stereoscopic Digital Cinema Addendum Version 1.0 released on July 11, 2007 and its errata; and (iii) any applicable specifications formally approved and adopted by SMPTE DC28, each as of March 10, 2010.

“**DCIP**” means Digital Cinema Implementation Partners, LLC, a Delaware limited liability company.

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

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

“**Digital Cinema Equipment**” has the meaning assigned to it in Section 3.06(a).

“**Digital Cinema Screen**” means a screen in an auditorium in a Theatre that is equipped with Digital Cinema Equipment and such Digital Cinema Equipment is operational to provide the Advertising Services.

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

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

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

“**Digital Programming Event**” means a digital programming event delivered live, substantially live or prerecorded including, without limitation, sports, music and comedy events exhibited in Theatres, but shall not include (a) the Pre-Feature Program, the Digital Programming Event Pre-Feature Program, the Digital Carousel or the Video Display Program, or (b) feature film content or (c) Event Trailers or Trailers. For purposes of this definition, “feature film content” shall not include (i) any form of content which is booked in the majority of the Theatres exhibiting such content for less than seven (7) consecutive days or (ii) anime, documentaries or classic movies.

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“**Digital Programming Exhibitor Services Agreement**” means that certain amended and restated digital programming exhibitor services agreement entered into between LLC and Cinemark dated as of the date hereof and assigned to Alternative Content JV pursuant to which, among other things, Alternative Content JV will provide digital programming services to Cinemark.

“**Digital Programming Event Pre-Feature Program**” means a program of digital content of between twenty (20) and thirty (30) minutes in length that is distributed for exhibition in Theatres prior to the Showtime of a Digital Programming Event.

“**Digital Programming Event Simulcast**” has the meaning assigned to it in Section 4.17.

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

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

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

“**Dual Interface Architecture**” means a delivery system in which the SMS and the DCN screen player connect to the same digital cinema projector (one projector with two play-back servers), as illustrated on Schedule 3.

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

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

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

“**ESA Payment Letter**” has the meaning assigned to it in Section 15.04.

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

“**Event Simulcast Advertising Services**” has the meaning assigned to it in Section 2 of Exhibit A.

“**Event Sponsorship**” has the meaning assigned to it in Section 2 of Exhibit A.

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“**Event Trailer**” means a promotion for a Digital Programming Event that is exhibited in the Theatres after Showtime.

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

“**First Amendment**” has the meaning assigned to it in the recitals to this Agreement.

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

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

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

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

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

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

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

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

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

“**Initial Term**” has the meaning assigned to it in Section 9.01.

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

“**Inventory**” means any advertising or other content.

“**License Agreement**” means that certain Second Amended and Restated Software License Agreement, dated as of February 13, 2007, among LLC, AMC, Cinemark and Regal, as applicable, and as such agreement may be amended, supplemented or otherwise modified from time to time.

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

“**LLC Confirmation**” has the meaning assigned to it in Section 3.06(a).

“**LLC Credit Agreement**” means the Amended and Restated Credit Agreement dated as of November 26, 2012 among LLC, the several lenders from time to time parties thereto, JPMorgan Chase Bank, N.A., as syndication agent, Credit Suisse Securities (USA) LLC, MacQuarie Capital (USA) Inc. and Morgan Stanley Senior Funding, Inc., as co-documentation agents and Barclays Bank PLC, as the Administrative Agent, as amended, modified or supplemented from time to time and any extension, refunding, refinancing or replacement (in whole or in part) thereof.

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

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

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

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

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

“**Lobby Promotions**” has the meaning assigned to it in Section 1 of Exhibit A.

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

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

“**Low Resolution Projection System**” means a digital projection system deployed in Theatres that (i) is not DCI Spec Compliant, (ii) has a maximum resolution less than 2K (i.e., a resolution of less than 2048×1080), and (iii) is similar in functionality to the low resolution projection systems currently deployed in Theatres, as illustrated on Schedule 4.

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

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

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

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

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

“**Non-Digitized Theatres**” means Theatres that are not Digitized Theatres.

“**Original Agreement**” has the meaning assigned to it in the recitals of this Agreement.

“**Original Effective Date**” means February 13, 2007.

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

“**Permitted Transfer**” means:

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

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

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

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

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

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

“**Pre-Feature Program**” means a program of digital content of between twenty (20) and thirty (30) minutes in length that is distributed by LLC through the Digital Content Network for exhibition in Digitized Theatres prior to Showtime of a feature film or other programming or event (other than a Digital Programming Event) or that is distributed non-digitally by some other means, including DVD, for exhibition prior to Showtime of a feature film or other programming or event (other than a Digital Programming Event) in Non-Digitized Theatres. For the avoidance of doubt, the definition of Pre-Feature Program shall not include any Digital Programming Event Pre-Feature Program.

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

“**Projection System**” means, collectively, a digital projection system including at least the following components: a digital projector with a minimum resolution of 2K, a digital cinema playout system (server or media block) and a screen management system for the relevant Screen.

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

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

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

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

“**Regal**” has the meaning assigned to it in the recitals to this Agreement.

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

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

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

“**Restated Effective Date**” has the meaning assigned to it in the preamble of this Agreement.

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“**ROFR Notice**” has the meaning assigned to it in Section 9.03(b).

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

“**ROFR Response**” has the meaning assigned to it in Section 9.03(d).

“**ROFR Response Period**” has the meaning assigned to it in Section 9.03(d).

“**Run-Out Obligations**” has the meaning assigned to it in Section 4.08(a).

“**Second Amendment**” has the meaning assigned to it in the recitals to this Agreement.

“**Secured Parties**” means (i) the “Secured Parties” (or any analogous concept) as defined in the LLC Credit Agreement, (ii) Barclays Bank PLC (or any successor thereto), as Collateral Agent for the First-Lien Secured Parties (as defined in the Security Documents), (iii) the holders of any Notes Obligations (as defined in the Security Documents); (iv) Wells Fargo Bank, National Association (or any successor thereto), in its capacity as Trustee and authorized representative for the Senior Secured Notes and the holders of the Senior Secured Notes and (v) any other person acting in any analogous agency capacity or any other lender, noteholder or holder of secured debt, in each case in connection with any secured debt entered into or issued by LLC after the Restated Effective Date.

“**Security Documents**” means collectively, the “Security Documents” as defined in the LLC Credit Agreement and in the purchase agreement or the indenture for the Senior Secured Notes, and any amendment, modification, supplement or replacement of such Security Documents and any security documents to be entered into by LLC in connection with any LLC secured debt after the Restated Effective Date.

“**Senior Secured Notes**” means the 6.00% senior secured notes issued by LLC in April 2012, due in 2022.

“**Showtime**” means the advertised showtime for a feature film or a Digital Programming Event.

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

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

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

“**Sponsor**” means any Person that, financially or through the provision of goods or services, supports the production, distribution, underwriting or marketing of a Digital Programming Event.

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“**Sponsor Message**” means a marketing message from a Sponsor that may be exhibited under the conditions, restrictions and requirements identified herein.

“**Strategic LEN Promotions**” has the meaning assigned to it in Section 4.07(b)(ii).

“**Strategic Lobby Promotions**” has the meaning assigned to it in Section 4.07(b)(iii).

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

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

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

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

“**Tax Receivable Agreement**” means that certain Tax Receivable Agreement by and among National CineMedia, LLC, RCH, Regal, AMC, Cinemark Media, and Cinemark, and dated as of February 13, 2007.

“**Term**” has the meaning assigned to it in Section 9.01.

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

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

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

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“Theatre Maintenance Fee per Digital Cinema Screen” has the meaning assigned to it in Schedule L.

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

“**Third Amendment**” has the meaning assigned to it in the recitals to this Agreement.

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

“**TMS**” means a digital cinema theatre management server.

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

“**Trailer**” means a promotion secured by Cinemark or its designee (which retains the exclusive rights to so secure for all of its Theatres) for a feature film or other programming, other than a Digital Programming Event that is exhibited in the Theatres after Showtime.

“**Unit Adjustment Agreement**” means that certain Common Unit Adjustment Agreement dated as of February 13, 2007 among National CineMedia, LLC, RCH, Regal, AMC, Cinemark Media, and Cinemark.

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

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

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ARTICLE 2

**PARTICIPATION AND FEES**

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

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

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

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

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

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

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

#### **Section 2.02 Addition of Theatres**

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

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

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

**Section 2.03 Disposition of Theatres.**

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

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

**Section 2.04 Mandatory Participation.** During the Term, except as expressly provided in this Agreement, including Sections 4.01(b) (Pre-Feature Programs), 4.01(c)(ii) (Video Display Programs), 4.02(e) (Alternative Content Lobby Promotions), 4.05 (Brand; Policy Trailer; Branded Slots), 4.06(a) (Beverage Agreements), 4.07 (Other Cinemark Advertising Agreements), 4.08 (Cinemark Run-Out Obligations), 4.11(b) (Event Trailers), 4.13 (Excluded Theatres; IMAX Screens), 4.14 (Grand Openings; Popcorn Tubs; Employee Uniforms), 4.17(a) and (b) (Digital Programming Event Simulcast), 4.18 (Event Sponsorships; Sponsor Message) and Exhibit A, Cinemark shall subscribe for and LLC shall be the exclusive provider to the Theatres of the services specifically set forth in the definition of the "Advertising Services." Except as expressly provided in this Agreement, during the Term, Cinemark shall neither engage nor permit a third party (excluding third party designees of LLC as provided hereunder) to provide, or itself provide, to a Theatre any of the services specifically set forth in the definition of "Advertising Services" set forth in Exhibit A. Nothing in this Agreement shall limit or affect (i) LLC's ability to contract or enter into any relationship with any Person or entity for any product, service, or otherwise, whether or not similar to any products or services provided by LLC under this Agreement, or (ii) Cinemark's ability to contract or enter into any relationship with any Person or entity for any product, service, or otherwise, other than the services that will be provided exclusively by LLC as set forth in this Section 2.04. All rights with respect to advertising and promotions not explicitly granted hereunder are reserved to Cinemark, including without limitation Cinemark's ability to offer and sell advertising to any third party on any website on the Internet, its telephone ticketing service or other alternative media sources used for ticketing.

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**Section 2.05 ESA Modification Payments; Theatre Access Fees**

**(a) ESA Modification Payments.**

(i) Cinemark Initial ESA Modification Payment. As of February 13, 2007, and in consideration for Cinemark's agreement to use a Theatre Access Fee calculation and payment mechanism (as described in Section 2.05(b)) in connection with LLC's utilization of the Theatres on and after the Original Effective Date of this Agreement, LLC has paid to Cinemark \$281,024,120 (such amount being the "**Cinemark Initial ESA Modification Payment**").

(ii) ESA-Related Tax Benefit Payments. After February 13, 2007, and in consideration for Cinemark's agreement to use a Theatre Access Fee calculation and payment mechanism (as described in Section 2.05(b)) in connection with LLC's utilization of the Theatres on and after the Original Effective Date of this Agreement, LLC has paid and will continue to pay any ESA-Related Tax Benefit Payments to Cinemark, pursuant to the terms of the Tax Receivable Agreement.

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

**(b) Theatre Access Fees.**

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

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

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

(iv) Theatre Maintenance Fee per Digital Cinema Screen. If applicable, LLC shall pay Cinemark the Theatre Maintenance Fee per Digital Screen, as set forth in Schedule 1, along with and at the same time as the Theatre Access Fee, beginning with the first month in which a LLC Confirmation is delivered to Cinemark.

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

### ARTICLE 3

#### EQUIPMENT

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

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

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

**Section 3.04 Installation.**

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

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

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

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

**Section 3.06 Conversion of Theatres to Digital Cinema Equipment.**

(a) **Conversion of Digitized Theatres.** During the Term and at its sole option, Cinemark may choose to install a Projection System in one or more auditoriums in any Digitized Theatre. As between Cinemark and LLC, Cinemark will be responsible for purchasing, installing and maintaining the Projection Systems selected by Cinemark. After the installation of a Projection System in an auditorium in a Digitized Theatres, Cinemark, at its sole option, may elect to convert the manner in which the Advertising Services are exhibited in such auditorium from the existing Low Resolution Projection System to either a Dual Interface Architecture or the ACE Solution. Upon such conversion, such Projection Systems shall constitute Cinemark Equipment under this Agreement (the "**Digital Cinema Equipment**"), including, but not limited

to, the Equipment set forth on Schedule A. During such conversion, Cinemark shall be responsible for connecting the Equipment, including LLC Equipment, to the Cinemark Equipment in a functional manner as mutually agreed by Cinemark and LLC. LLC shall be responsible for providing specifications and process instructions to Cinemark for such connectivity in advance of the scheduled conversion; provided that such specifications and process instructions shall not require Cinemark to acquire any additional equipment or software in order to effectuate such connectivity unless such additional equipment or software is purchased by LLC and does not render such Digital Cinema Equipment not DCI Spec Compliant. Once LLC receives notice from Cinemark that a Projection System has been installed in a given auditorium and that Cinemark has elected to convert the Advertising Services to such Projection System, LLC and Cinemark shall have the responsibility to jointly test such conversion to ensure that the Digital Cinema Equipment is operational to provide the Advertising Services. LLC and Cinemark hereby agree that the Auditoriums listed on Schedule 3.06(a) have Digital Cinema Equipment operational to provide Advertising Services as of October 1, 2010. If the conversion is operational to provide the Advertising Services, LLC shall notify Cinemark in writing (the "**LLC Confirmation**"). If the conversion is not operational to provide the Advertising Services, LLC and Cinemark shall cooperate to make the system operational to provide the Advertising Services. The Parties agree that LLC shall have 60 days, which shall include all testing, following receipt of notice from Cinemark that a Projection System has been installed and is capable of receiving the Advertising Services in a given auditorium to complete the conversion in such auditorium. Until the testing of the conversion has been completed and approved, Cinemark shall not be permitted to remove the Low Resolution Projection System from such auditorium. After a conversion of an auditorium has been completed and approved, Cinemark may, in certain limited circumstances, replace the Digital Cinema Equipment with 35mm projection. In such event Cinemark shall reinstall Low Resolution Projection Systems in order to deliver the Advertising Services in such auditoriums and Cinemark will no longer be required to exhibit 3D Advertising Services in such auditoriums.

**(b) Non-Digital Theatres.** During the Term and at its sole option, Cinemark may choose to install a Projection System in one or more auditoriums in any Non-Digitized Theatre. As between Cinemark and LLC, Cinemark will be responsible for purchasing, installing and maintaining the Projection Systems selected by Cinemark. After the installation of a Projection System in an Auditorium in a Non-Digitized Theatre, Cinemark, at its sole option, may elect to convert such Non-Digitized Theatre to a Digitized Theatre. Upon such conversion, such Projection Systems shall constitute Digital Cinema Equipment under this Agreement. During such conversion, Cinemark shall be responsible for connecting the Equipment, including LLC Equipment, to the Cinemark Equipment in a functional manner as mutually agreed by Cinemark and LLC. LLC shall be responsible for providing specifications and process instructions to Cinemark for such connectivity in advance of the scheduled conversion; provided that such specifications and process instructions shall not require Cinemark to acquire any additional equipment or software in order to effectuate such connectivity. Once LLC receives notice from Cinemark that a Projection System has been installed in a given auditorium and that Cinemark has elected to convert such Non-Digitized Theatre to a Digitized Theatre, LLC and Cinemark shall have the responsibility to jointly test such conversion to ensure that the Equipment is operational to provide the Advertising Services. If the conversion is operational to provide the Advertising Services, LLC shall provide Cinemark with a LLC Confirmation. If the conversion is not operational to provide the Advertising Services, LLC and Cinemark shall

cooperate to make the system operational to provide the Advertising Services. The Parties agree that LLC shall have 60 days, which shall include all testing, following receipt of notice from Cinemark that a Projection System has been installed and is capable of receiving the Advertising Services in a given auditorium to complete the conversion in such auditorium. After a conversion of an auditorium has been completed and approved, Cinemark may, in certain limited circumstances, replace the Digital Cinema Equipment with 35mm projection. In such event Cinemark shall install Low Resolution Projection Systems in order to deliver the Advertising Services in such auditoriums and Cinemark will no longer be required to exhibit 3D Advertising Services in such auditoriums.

(c) Maintenance Obligations. At the time any Digital Cinema Equipment is used to deliver Advertising Services hereunder, whether using a Dual Interface Architecture or the ACE Solution, LLC shall have no further obligation to maintain the Low Resolution Projection System in that auditorium or to remove or dispose of such projection system. LLC shall continue to be responsible for maintaining the Equipment, including the LLC Equipment and any remaining Low Resolution Projection Systems in use at such Digitized Theatre, pursuant to the terms of this Agreement, as identified on Schedules 2, 3 and 4. Cinemark shall continue to be responsible for maintaining all Cinemark Equipment, including the Digital Cinema Equipment.

(d) Dual Interface Architecture or ACE Solution. Subject to the requirements and procedures set forth in Section 3.06(a) or (b) as applicable nothing in this Section 3.06 shall prohibit Cinemark from implementing either a Dual Interface Architecture or the ACE Solution or from switching from a Dual Interface Architecture to the ACE Solution or vice-versa. In addition, in certain limited circumstances, Cinemark may replace the Digital Cinema Equipment with 35mm projection in specific auditoriums and, in such circumstances, Cinemark shall reinstall Low Resolution Projection Systems in order to deliver the Advertising Services in such auditoriums on the same terms and conditions as existed prior to the initial conversion to either a Dual Interface Architecture or ACE Solution, as applicable. For any auditorium converted to the ACE Solution, LLC shall be responsible for all costs necessary to provide the Advertising Services for each Play List in the SMPTE format described in Section 4.01(a), and Cinemark will be responsible for all costs necessary to receive the Advertising Services content into Cinemark's TMS and append the digital cinema playlist to provide LLC substantially the same functionality that existed before the conversion to the ACE Solution.

(e) Conversion Reporting. Cinemark will provide LLC with a weekly report setting forth (i) a list of the auditoriums in each Digitized Theatre that Cinemark intends to convert the Advertising Services to Dual Interface Architecture or ACE Solution and the time frame thereof, (ii) a list of the auditoriums in each Non-Digitized Theatre that Cinemark intends to convert to auditoriums in a Digitized Theatre using a Dual Interface Architecture or ACE Solution and the time frame thereof, and (iii) a list of the auditoriums in each Theatre as to which Digital Cinema Equipment is being used for Advertising Services.

(f) Integration. The Parties shall cooperate in good faith during the conversion process contemplated by this Section 3.06. Once LLC receives notice from Cinemark that a Projection System has been installed in a given auditorium and Cinemark has elected to convert the Advertising Services to such Projection System, LLC shall reimburse Cinemark for incremental costs incurred by Cinemark resulting from delays by LLC in completing the integration within 60 days following receipt of notice from Cinemark that a Projection System has been installed in a given auditorium.

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

**Section 3.08 Equipment Maintenance Standard.**

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

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

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

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

#### ARTICLE 4

##### DELIVERY OF THE ADVERTISING SERVICES

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

(a) Distribution; Quality. On the Original Effective Date, LLC will commence distribution of the Digital Carousel, the Digital Content Service and the Traditional Content Program to the Digitized Theatres and Non-Digitized Theatres, all as set forth above in Article 2. With respect to Digitized Theatres, content shall be distributed through the Digital Content Network, via either LLC's satellite network or by LLC's or exhibitor's landline network. Each of the Pre-Feature Program and the Video Display Program shall consist of Inventory comprising a single play list ("**Play List**"). The Play List will be refreshed during the Term when and as determined by LLC but not less frequently than 12 times per year (each a "**Flight**"). The Digital Carousel, the Digital Content Service (including the Pre-Feature Programming Schedule) and the Traditional Content Program will be substantially similar in nature, quality, and scope to the corresponding advertising, promotional and other content, as received by the Theatres immediately prior to the Original Effective Date, and will in addition be delivered pursuant to the Service Level Agreement included in the Specification Documentation, as applicable. In addition, LLC agrees that the quality of the Advertising Services delivered to each of the Founding Members will be consistent throughout the Term. If Cinemark elects to use the ACE Solution to deliver the Advertising Services which use Digital Cinema Equipment, LLC shall ensure that such Advertising Services are provided to Cinemark as specified in the SMPTE draft, as of March 10, 2010, named Proposed 430-8, D-Cinema Operations Show Playlist (which addresses provision of show playlist and showpack by a third party to a DCI compliant TMS) and, with respect to the Digital Carousel, the Pre-Feature Program, and the Policy Trailer, in the format of the film exhibited on the Cinemark Equipment which follows the Advertising Services. Notwithstanding the foregoing, the Parties agree that from October 1, 2010 through the earlier of (i) the date that the ACE Solution has been installed with respect to 1,000 total Digital Screens (including Digital Screens operated by the other Founding Members of LLC and Network Affiliates), or (ii) December 31, 2011, LLC may deliver the Advertising Services to Theatres requiring the JPEG 2000 format via disc drives rather than via satellite.

**(b) Pre-Feature Programs.**

(i) Pre-Feature Program. The Pre-Feature Program shall consist of four (4) or more elements, including: (i) commercial advertising; (ii) promotions for the Cinemark brand (including the Brand and Branded Slots), Concessions sold and services used by Cinemark and other products and services in accordance with Section 4.05; (iii) interstitial content; and (iv) other entertainment programming content which, while promotional of businesses or products, shall be primarily entertaining, educational or informational in nature, rather than commercially inspired. Additionally, only to the extent required by the terms of the Alternative Content Services Agreement and subject to the limitations set forth therein, Event Sponsorships and promotions for Digital Programming Events may be included in the Pre-Feature Program.

(ii) Digital Programming Event Pre-Feature Program. Under the Alternative Content Services Agreement, LLC and Alternative Content JV agree to work together to develop and exhibit a Digital Programming Event Pre-Feature Program. Cinemark acknowledges that it is the intent of LLC and Alternative Content JV that the Digital Programming Event Pre-Feature Program shall consist of five (5) or more elements, including: (i) commercial advertising; (ii) promotions for the Cinemark brand (including the Brand and Branded Slots), Concessions sold and services used by Cinemark and other products and services in accordance with Section 4.05; (iii) interstitial content; (iv) promotional content used by Alternative Content JV to promote Digital Programming Events which may include a Sponsor Message; and (v) other entertainment programming content which, while promotional of businesses or products, shall be primarily entertaining, educational or informational in nature, rather than commercially inspired. Any Digital Programming Event Pre-Feature Program shall conclude at Showtime for the Digital Programming Event in order to permit Alternative Content JV and/or Cinemark opportunities to exhibit Event Trailers or Trailers. Any Digital Programming Event Pre-Feature Program will be programmed, to the extent commercially reasonable, to cater to the demographic of the audience of the related Digital Programming Event. Cinemark acknowledges and agrees that as of the Restated Effective Date, it is not commercially reasonable to deliver Digital Programming Event Pre-Feature Programs that are customized for the Cinemark Brand or that cater to the demographic of the audience of the related Digital Programming Event. Any advertising, promotion, marketing or other services set forth in the definition of the "Advertising Services" contained in the Digital Programming Event Pre-Feature Program and exhibited by Cinemark at the direction of LLC or Alternative Content JV shall be expressly permitted by LLC hereunder notwithstanding the provisions of Section 2.04 hereof.

(iii) LLC shall have no liability of any kind under this Agreement for any content provided by Alternative Content JV.

(c) Video Display Program. The elements of the Video Display Program shall be, generally, the same as those for the Pre-Feature Program, and will include the Brand and the Branded Slots. LLC specifically agrees that the Video Display Program will contain only material that has received, or had it been rated would have received, an MPAA "G" or "PG" rating. In addition, LLC shall not restrict the sale of Inventory from the Video Display Program for promotions of feature films. Lobby Screens displaying the Video Display Program shall be located in areas of Theatres of LLC's choosing (subject to Cinemark's reasonable operational constraints and provided relocation of existing Lobby Screens is not required). Cinemark is

obligated to provide at least one Lobby Screen per Digitized Theatre with ten or fewer screens, two Lobby Screens per Digitized Theatre with eleven to twenty screens and three Lobby Screens per Digitized Theatre with more than twenty screens; provided, however, that Cinemark shall have no obligation to increase the number of Lobby Screens in any Theatre that has at least one Lobby Screen that is capable of receiving the Video Display Program as of the Original Effective Date. When a Theatre has more than the minimum number of Lobby Screens required, Cinemark may, at its discretion, elect to display on such excess Lobby Screens (i) the Video Display Program or (ii) internal programming (including promotion of Cinemark's internal business or promotion of Digital Programming Events) that does not include third-party advertising and/or third-party mentions for products and services (other than Theatre Advertising or Sponsor Messages in connection with Event Sponsorships); provided, however, Cinemark shall provide at least 30 days advance notice prior to an initial election of either (i) or (ii) in any such Theatre, and at least 60 days advance notice prior to any subsequent change in election.

#### **Section 4.02 Lobby Promotions.**

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

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

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

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

(e) Alternative Content Lobby Promotions. To the extent that Cinemark provides Alternative Content JV with the right to use certain Inventory of Lobby Promotions to promote Digital Programming Events, Cinemark may display such promotions at the direction of Alternative Content JV notwithstanding the provisions of Section 2.04 hereof, provided that such promotions are limited to a Sponsor Message in connection with an Event Sponsorship.

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

**Section 4.04 Development of the Advertising Services** All operational costs associated with LLC's procurement, preparation and delivery of the Advertising Services (including Inventory and other promotional materials as provided herein) to the Theatres shall be borne exclusively by LLC. Except as provided herein, all in-Theatre operational costs associated with Cinemark's receipt and exhibition of the Advertising Services within the Theatres shall be borne exclusively by Cinemark; provided that, upon prior written notice to and consultation with LLC, LLC shall reimburse Cinemark for its reasonable incremental out-of-pocket third party costs incurred in connection with receipt and exhibition of the Advertising Services within the Theatres. Any excess on-screen Inventory which may be made available to Cinemark in LLC's discretion pursuant to Section 5.03 or otherwise, and any other on-screen Inventory provided by Cinemark pursuant to Section 4.05, will be subject to both Parties' review and approval, which will not be unreasonably withheld. LLC will provide at its own expense all creative and post-production services necessary to ingest, encode and otherwise prepare for distribution all other on-screen Inventory as part of the Digital Content Service. All on-screen Inventory provided by Cinemark for inclusion in the Digital Content Service must (i) be submitted to LLC for review for compliance with (ii) and (iii) below as LLC may reasonably request, but in any event at least twenty (20) business days before scheduled exhibition (unless otherwise previously approved by LLC), (ii) satisfy the content restrictions enumerated in Section 4.03(i) through (vii) hereof, and (iii) be fully produced in accordance with LLC's technical specifications as promulgated by LLC from time to time (all as provided in written or electronic form to Cinemark in a reasonable time period prior to implementation, including any amendments thereto; and which are equally applied to all exhibitors), ready for exhibition, as well as in accordance with applicable LLC commercial standards and operating policies, and all applicable federal, state and local laws and regulations. LLC must reject or approve all Inventory provided by Cinemark within five (5) business days. Any such Inventory provided by Cinemark and not rejected within such time frame shall be deemed approved and incorporated into the Advertising Services. Any Inventory provided by Cinemark for review and approval by LLC need not, once approved by LLC, be resubmitted by Cinemark for approval in connection with any future use.

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

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

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

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

(d) Restrictions. Other than as permitted in Sections 4.05(a), (b), (c) or Section 4.07, none of the Brand, the Policy Trailer or the Branded Slots will include third-party advertising and/or third-party mentions for products and services, without LLC’s prior written approval; provided that a Branded Slot promoting a Digital Programming Event may include a Sponsor Message.

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

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

#### **Section 4.06 Beverage and Legacy Agreements**

(a) Beverage Agreements. LLC shall, through the expiration or other termination of Cinemark’s Beverage Agreement in effect on the Restated Effective Date, display or exhibit, as applicable, as part of the Advertising Services, advertising Inventory meeting any and all specifications and requirements prescribed by the Beverage Agreement, including format, length (not to be longer than ninety (90) seconds), and placement within the Play List, as set forth in the Specification Documentation, with compliance by LLC to be within a reasonable time after such specifications are communicated from time-to-time by Cinemark to LLC in a written notice. In consideration for the advertising pursuant to the Beverage Agreement, Cinemark agrees to pay LLC at the advertising rates set forth on Exhibit B (the “**Beverage Agreement Advertising Rate**”). The Beverage Agreement Advertising Rate shall be paid on or

before the last day of LLC's fiscal month following LLC's fiscal month in which the Advertising Services related to the Beverage Agreement were provided. Beginning after Cinemark's Beverage Agreement in effect on the Restated Effective Date expires or otherwise terminates through the end of the Term, Cinemark shall have the right to have included in the Advertising Services advertising Inventory for its beverage concessionaires at the then current Beverage Agreement Advertising Rate; provided that Cinemark (i) keeps LLC apprised of the status of negotiations with the beverage vendor (including likelihood of reaching agreement, advertising length and placement required), from the time such negotiations begin until an agreement is signed, and (ii) provides LLC notice (including advertising length and placement required) within two (2) business days after the date that Cinemark and its beverage concessionaire agree on terms for a new Beverage Agreement. Cinemark shall be permitted to prescribe the length and placement within the Play List of on-screen Inventory based on the requirements of the Beverage Agreements which may then be in effect between Cinemark and such then-applicable beverage concessionaires; provided that such Inventory shall not exceed ninety (90) seconds in length for all such Beverage Agreements. Cinemark-redacted and/or Cinemark-selected (by disclosure or summary) contents of the Beverage Agreement shall only be disclosed as, and to the extent, required pursuant to this Agreement, provided such disclosure would not violate the terms of such Beverage Agreement.

**(b) Cinemark Legacy Agreements.**

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

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

**Section 4.07 Other Cinemark Advertising Agreements**

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

(b) Non-Theatre Advertising. Cinemark may enter into a cross-marketing arrangement designed to (i) promote the Theatres and the movie-going experience with a local, regional or nationally-known vendor of products or services that are not of the type described in Theatre Advertising or (ii) promote Digital Programming Events, in either case, for the purpose of generating increased attendance at the Theatres or increased revenue for Cinemark (other than revenue from any Advertising Services) (the “**Strategic Relationship**”) with advertising of such products or services being presented in the Theatres (either in the Video Display Program or in Lobby Promotions) (“**Strategic Programs**”), subject to the terms set forth in this Section 4.07(b). Strategic Programs may not be made on an exclusive basis. Strategic Programs entered into in connection with a Digital Programming Event shall not include any third-party advertising, trademarks, service marks, logos or other branding and/or third-party mentions for products and services except for a Sponsor Message. Cinemark covenants that it shall not re-sell any Advertising Services, including those received in connection with Strategic Programs. Strategic Programs shall be subject to the following limitations:

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

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

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

#### **Section 4.08 Cinemark Run-Out Obligations.**

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

(i) No Run-Out Obligations. Agreements with advertisers that purchase advertising are Legacy Agreements and do not create Run-Out Obligations. Cinemark shall, effective upon acquisition of the Acquisition Theatre, terminate any agreements between Cinemark and an Affiliate relating to advertising, promotional and event activities and services in any Acquisition Theatre, so that any such agreements do not create Run-Out Obligations.

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

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

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

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

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

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

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

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

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

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

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

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

(vi) adequate opportunities to train Cinemark personnel, as provided in Section 3.07;

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

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

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

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

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

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

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

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

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

#### **Section 4.11 Trailers.**

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

(b) Event Trailers. Any Event Trailer shall be limited to a promotion for an applicable Digital Programming Event and shall not include the exhibition or display of any trademark, service mark, logo or other advertising or branding other than the Alternative Content JV or the distributor(s) or production company(ies) of the Digital Programming Event. Additionally, Event Trailers may include (i) incidental images of products or services which appear in the Digital Programming Event (e.g., product placements), and (ii) Sponsor Message(s) in connection with Event Sponsorship(s). The exhibition of any Event Trailer by Cinemark at the direction of Alternative Content JV shall be expressly permitted by LLC hereunder notwithstanding the provisions of Section 2.04 hereof; provided however, that LLC shall have no liability of any kind under this Agreement for any content in an Event Trailer provided by Alternative Content JV or Cinemark.

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

**Section 4.13 Excluded Theatres; IMAX Screens.**

(a) **Excluded Theatres.** Cinemark shall have the right to designate art house and draft house theatres that for purposes of this Agreement shall be **Excluded Theatres**; provided, however, that the aggregate annual attendance at all such Excluded Theatres on the date of designation shall not exceed four (4) percent of the aggregate annual attendance at the Theatres. The list of Excluded Theatres identified as of the Restated Effective Date is set forth in the Specification Documentation. Cinemark shall provide written or electronic notice to LLC, in the form specified by LLC, each time there is a change in its list of Excluded Theatres. Excluded Theatres shall not be deemed Theatres for purposes of this Agreement. Excluded Theatres will not receive Advertising Services. Excluded Theatres will not be considered for purposes of the calculation of Theatre Access Fees. Notwithstanding the foregoing, Excluded Theatres will be subject to the exclusivity obligations of Cinemark, as set forth in Section 2.04 to the same extent as a Theatre hereunder. With respect to any Theatre subsequently designated as an Excluded Theatre, the parties will negotiate in good faith terms for the discontinuation of delivery of the Advertising Services to such Excluded Theatre.

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

**Section 4.14 Grand Openings; Popcorn Tubs; Employee Uniforms.** Notwithstanding anything herein to the contrary, Cinemark shall not be prohibited from: (i) promoting the grand opening of a Theatre or an Excluded Theatre, provided such promotional activity (A) may occur only for the fourteen (14) day period immediately preceding the opening of the theatre to the general public through the fourteen (14) day period immediately following the opening of the theatre to the general public, and (B) includes local advertising of such opening in exchange for the advertising of local businesses only, provided any on-screen advertising related thereto shall be subject to availability of on-screen Inventory and limited to one (1) advertisement thirty (30) seconds in length; (ii) placing advertising promoting full-length feature films on special popcorn tubs (such as plastic or oversized containers not regularly sold by Cinemark) sold in Theatres or Excluded Theatres, provided Cinemark shall (A) provide LLC one hundred twenty (120) days prior notice of Cinemark's desire to conduct such promotion and

permit LLC sixty (60) days to sell promotional advertising for such special popcorn bags/tubs, and if LLC cannot sell advertising for such special popcorn tubs within such sixty (60) day period then Cinemark shall have the right to sell such advertising, (B) be limited to two (2) such promotions in any twelve (12) month period during the Term, (C) not conduct any such promotion over a period exceeding thirty (30) days, and (D) not sell such advertising below the lowest total rate card amount received by LLC for popcorn bags; and (iii) allowing advertising for the supplier of Cinemark employee uniforms to appear on such uniforms, provided not more than two (2) individual instances of such advertising may appear on any such uniform at any one time. Cinemark will provide LLC reasonable advance written notice of any promotion under this Section 4.14 (collectively, "**Special Promotions**") and LLC will have the right to approve each such Special Promotion. LLC may not unreasonably withhold, condition or delay its approval, provided that LLC shall be permitted to withhold its approval from any such Special Promotion that is inconsistent with any exclusive obligation of LLC then in force, or otherwise interferes with the current or proposed business activities of LLC as reasonably determined by LLC. Any cash consideration paid by a third party in connection with a Special Promotion relating to any Advertising Services shall be paid to LLC.

#### **Section 4.15 Consultation regarding Certain Advertising Agreements**

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

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

#### **Section 4.16 3D Services.**

**(a) Access to Projection Systems for 3D Advertising Services.** Subject to the terms and conditions of this Agreement, including, without limitation this Section 4.16, if and to the extent that Cinemark has the capability to exhibit full-length motion pictures using a Projection System in 3D in one or more auditoriums in any Digitized Theatre, LLC shall have the right to exhibit 3D Advertising Services using such Projection System in such auditoriums, in the following instances (i) after the Advertising Services have been converted to such Projection System in accordance with Section 3.06 or (ii) prior to the presentation of a 3D motion picture or other 3D content ("**3D Content**"); in either case, such 3D Advertising Services, (x) will be properly conditioned to meet the specifications of Cinemark 3D equipment providers, and (y) LLC shall pay or reimburse Cinemark for any and all third party licensing fees incurred by Cinemark related to use of the 3D equipment in conjunction with 3D Advertising Services. Notwithstanding the foregoing, to the extent such Projection System has not become Digital Cinema Equipment in accordance with Section 3.06, LLC shall be responsible for providing such 3D Advertising Services in a form and format to be reasonably requested by Cinemark. In the event that LLC requests Cinemark to ingest and play 3D Advertising on Cinemark's player, if there are incremental costs that are going to be incurred beyond Cinemark's normal operating procedures then Cinemark and LLC must meet and agree on the appropriate reimbursement to be paid by LLC to Cinemark to offset such Cinemark incremental costs necessary to accommodate LLC's request.

**(b) 3D Glasses.** LLC agrees that Cinemark will bear no expense with respect to 3D Glasses provided to theatre patrons to view 3D Advertising Services. In the case of 3D Advertising Services distributed prior to the presentation of 3D Content, LLC shall obtain any and all necessary consents to allow theatre patrons to use the 3D Glasses delivered to Cinemark by the provider of such 3D Content; provided that LLC shall be liable for, and, if necessary, reimburse Cinemark for, any and all costs imposed by such provider on either LLC or Cinemark for the use of 3D Glasses to view the 3D Advertising Services; provided, further, that if Cinemark agrees with such provider to purchase 3D Glasses in order to provide them to theatre patrons to view such 3D Content, then the Parties will negotiate in good faith a reasonable allocation of such costs between Cinemark and LLC, which costs shall include additional payroll or general and administrative costs incurred by Cinemark for inventory and storing such 3D Glasses for LLC. LLC will not interfere with the rights of Real D to advertise its business, products or services on storage bins for 3D Glasses, as set in the current agreement(s) between Cinemark and Real D, or between Real D and any distributor.

**(c) Applicability of ESA Provisions.** All provisions of this Agreement, including the revenue provisions of Article 2 and the content standards set forth in Section 4.03, will apply to any advertising on 3D Glasses, packaging for 3D Glasses and 3D Glasses recycling bins used by LLC in connection with the distribution of 3D Advertising Services. Advertising on 3D Glasses and packaging for 3D Glasses will be permitted only as approved by Cinemark in its sole and absolute discretion.

#### **Section 4.17 Digital Programming Event Simulcast.**

**(a) Definition.** Under the Digital Programming Exhibitor Services Agreement, Cinemark may exhibit a Digital Programming Event that is simulcast across a broadcast (or cable, including pay-per-view) network or the Internet (the "**Digital Programming Event Simulcast**"). LLC acknowledges that Digital Programming Event Simulcasts may contain third-party advertising that is provided by the provider of such Digital Programming Event Simulcast as part of such simulcast. A store-forward event shall not be a Digital Programming Event Simulcast for purposes of this Agreement.

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(b) **Third-Party Advertising.** For clarification, to the extent that the content provider allows any third-party advertising, trademarks, service marks, logos or other branding and/or third-party mentions for products and services to be included in a Digital Programming Event Simulcast, other than that provided by the content provider, as between, Cinemark, Alternative Content JV and LLC, LLC shall have the exclusive right to provide Event Simulcast Advertising Services. LLC acknowledges that Cinemark shall require that any third-party advertising to be exhibited during a Digital Programming Event Simulcast be subject to content standards substantially similar to those contained in Section 4.03 of this Agreement. If Cinemark grants Alternative Content JV a waiver of compliance with one or more of such standards, Cinemark will give LLC written notice of such waiver at such time as the waiver is granted. LLC shall be deemed to be granted a waiver from compliance with the content standards of Section 4.03 to the same extent for sole purposes of providing Event Simulcast Advertising Services for the Digital Programming Event Simulcast to which the waiver applies. If Cinemark or any of its Affiliates receives any compensation specifically for the broadcast of third-party advertising during a Digital Programming Event Simulcast, Cinemark or such Affiliate will pay LLC [\*\*\*] percent ([\*\*\*]%) of such compensation. For example purposes only, the receipt of revenue from ticket sales or revenue from a content provider or a Sponsor for the purpose of hosting a Digital Programming Event Simulcast (and such revenue is not in any way attributable to the Inventory) will not be considered compensation for advertising that must be paid to LLC. The exhibition by Cinemark at the direction of Alternative Content JV of any third-party advertising provided by the content provider of a Digital Programming Event Simulcast shall be expressly permitted by LLC hereunder notwithstanding the provisions of Section 2.04 hereof.

(c) **No Liability.** LLC will have no liability of any kind under this Agreement for any content included in a Digital Programming Event Simulcast, unless, and only to the extent that, LLC provides Event Simulcast Advertising Services.

**Section 4.18 Event Sponsorships; Sponsor Message.**

(a) **Event Sponsorships.** Under the Alternative Content Services Agreement, Alternative Content JV and LLC will work together in good faith to develop and sell Event Sponsorships for Digital Programming Events. No Sponsor for an Event Sponsorship may be a theatre or theatre circuit which is a competitor of Cinemark. Any Event Sponsorship provided by LLC shall be subject to the content standards of Section 4.03 of this Agreement. LLC acknowledges that Cinemark shall require any Event Sponsorship provided by Alternative Content JV to be subject to content standards substantially similar to those contained in Section 4.03 of this Agreement. If Cinemark grants Alternative Content JV a waiver of compliance with one or more of such standards, Cinemark will give LLC written notice of such waiver at such time as the waiver is granted. LLC shall be deemed to be granted a waiver from compliance with the content standards of Section 4.03 to the same extent for purposes of the sale of advertising by LLC for such Event Sponsorship to which the waiver applies. The exhibition of third-party advertising relating to an Event Sponsorship by Cinemark at the direction of Alternative Content JV shall be expressly permitted by LLC hereunder notwithstanding the provisions of Section 2.04 hereof; provided however, that LLC shall have no liability of any kind under this Agreement for any content provided by Alternative Content JV.

(b) **Sponsor Message.** If LLC or Alternative Content JV sell an Event Sponsorship for a Digital Programming Event, no third-party advertising, trademark, service mark, logo or other advertising or branding, including any third-party mentions for products and services, may be displayed, except a Sponsor Message may be included in the Digital Programming Events Pre-Feature Program, an Event Trailer, Branded Slot, Lobby Promotion or as part of a Strategic Program, subject to the limits of Section 4.07(b). Any Sponsor Message shall be limited to (a) up to 5 seconds per Sponsor and (b) not more than 10 seconds if there is more than one Sponsor setting forth a “sponsored by” or “presented by” mention. The Sponsor Message may include Sponsor’s logo and audio announcement or mention of the Sponsor’s name, subject to the limits in the previous sentence, and may not include any references of any kind to any of the Sponsor’s products or services. Under no circumstances will any Sponsor have the right to “pass-through” any of the marketing rights in the Event Sponsorship or Strategic Program.

## ARTICLE 5

### **SUPPORT; MAKE GOODS**

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

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

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

ARTICLE 6

**INTENTIONALLY DELETED**

ARTICLE 7

**INTELLECTUAL PROPERTY**

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

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

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

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

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

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

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

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

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

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### Section 7.03 License of the Cinemark Marks

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

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

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

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

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

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

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

## ARTICLE 8

### **FEES**

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

**Section 8.02 Administrative Fee.** Cinemark may request the right to use the Digital Content Network for the delivery of any Digital Programming Events, Digital Programming Event Pre-Feature Program, Event Trailers, Trailers, PSA Trailers, meeting events or other entertainment content programming and, if such use is acceptable to LLC, Cinemark shall pay an Administrative Fee for such use as set forth in Exhibit B.

**Section 8.03 Audit.** Each Party shall keep and maintain accurate books and records of all matters relating to the performance of its obligations hereunder, including without limitation the sale of advertising, in accordance with generally accepted accounting principles. During the Term and for a period of one (1) year thereafter, each Party, at its sole expense, shall, upon reasonable advance written notice from the other Party, make such books and records (redacted, as applicable, to provide information relative to the Advertising Services and this Agreement) available at its offices for inspection and audit by the other Party, its employees and agents. Any audit with respect to amounts payable by either Party to the other Party under this Agreement shall be limited to an audit with respect to amounts to be paid in the current calendar year and immediately preceding calendar year only. Any period that has been audited pursuant to this section shall not be subject to any further audit. In the event an audit of the books and records of a Party reveals an underpayment to the other Party, the audited Party shall pay to the other Party the amount of such underpayment within 30 days of the completion of the audit. If such audit determines that the underage in payments paid to a Party were in the aggregate in excess of five percent (5%) of the payments owed, the Party owing the payment shall, in addition to making the payment set forth above, reimburse the Party receiving the payment for all reasonable costs, expenses and fees incurred in connection with such audit. Any disputes between the Parties relating to the calculation of amounts owed shall be referred to a mutually satisfactory independent public accounting firm that has not been employed by either Party for the two (2) year period immediately preceding the date of such referral. The determination of such firm shall be conclusive and binding on each Party, and judgment upon any such determination can be entered in any court having jurisdiction over the matter. Each Party shall bear one-half of the fees of such firm. If the Parties cannot select such accounting firm, then the selection of such accounting firm shall be made by the American Arbitration Association located in New York, New York. In addition to the foregoing audit rights of the Parties, during the Term, LLC and its authorized agents shall have the right, upon reasonable advance notice, to inspect any Cinemark premises or facilities involved in the performance of this Agreement to confirm the performance and satisfaction of Cinemark's obligations hereunder.

## ARTICLE 9

### TERM AND TERMINATION

**Section 9.01 Term.** Unless earlier terminated as provided below, the term of this Agreement shall begin on the Original Effective Date and shall continue through February 13, 2037 (the "**Initial Term**"), after which Cinemark shall have the right to renew this Agreement on the terms as set forth in this Agreement for continuous, successive five-year periods (each, a "**Renewal Term**," and together with the Initial Term, the "**Term**"). Cinemark shall give LLC written notice of any intent to exercise its right to renew at least thirty (30) days prior to the expiration of the Initial Term and any Renewal Term. The Parties shall, for a period of six (6) months commencing eighteen (18) months before the conclusion of the Initial Term and any Renewal Term, negotiate in good faith terms, if any, on which they may agree to extend the Initial Term or any Renewal Term, and, if such agreement is reached, this Agreement shall be amended to incorporate such terms. Unless this Agreement is extended by Cinemark, this Agreement may only be extended by subsequent written agreement of the Parties. Prior to and during such six (6) month period, Cinemark shall not enter into or conduct any negotiations with any third party with respect to any service that may be competitive with the Advertising Services or any feature thereof.

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

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

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

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

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

**Section 9.03 Right of First Refusal.**

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

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

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

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

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

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

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

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

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

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

ARTICLE 10

**REPRESENTATIONS, WARRANTIES AND COVENANTS**

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

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

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

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

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

**Section 10.02 Additional Covenants.**

(a) **No Challenge.** Each Party covenants that it will not at any time, except to the extent necessary to, assert or defend its rights under this Agreement:

(i) challenge or otherwise do anything inconsistent with the other Party's right, title or interest in its property, (ii) do or cause to be done or omit to do anything, the doing, causing or omitting of which would contest or in any way impair or tend to impair the rights of the other Party in its property or the rights of third party licensors or providers in their property, or (iii) assist or cause any Person or entity to do any of the foregoing.

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

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

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

## ARTICLE 11

### INDEMNIFICATION

#### **Section 11.01 Indemnification.**

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

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

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

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

## ARTICLE 12

### **ADDITIONAL RIGHTS AND OBLIGATIONS**

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

**Section 12.02 Infringement.** The Parties shall notify one another promptly, in writing, of any alleged, actual or threatened infringement, violation, misappropriation or misuse of or interference with ("**Infringement**") any intellectual property which such Party knows of or has reason to suspect.

**Section 12.03 Theatre Passes.** Upon the request of LLC's CEO, Cinemark will issue a number of annual passes, as reasonably requested by LLC and agreed by the parties and as reasonably consistent with prior practice, to the Theatres for use by LLC advertising clients, subject to Cinemark's ability to issue such passes pursuant to Cinemark's agreements with film distributors. LLC may purchase passes in excess of such number each year at a reasonably negotiated price. All other tickets used by LLC for promotional and sales purposes will be acquired by LLC at Cinemark's then current group ticket discount rate.

**Section 12.04 Compliance with Law.** Cinemark and LLC shall each at all times operate and conduct its business, including, without limitation, exercising its rights under this Agreement, in compliance with all applicable international, national, state, and local laws, rules, and requirements, and the compliance by either Party with such laws, rules and requirements shall under no circumstances be deemed a breach of this Agreement.

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**Section 12.05 Insurance.** Cinemark shall maintain with financially sound and reputable insurance companies insurance on the Theatres and Equipment in such amounts and against such perils as Cinemark deems adequate for its business. LLC shall maintain with financially sound and reputable insurance companies insurance for its business and Equipment in such amounts and against such perils as LLC deems adequate for its business. Each Party will name the other Party (including its agents, officers, directors, employees and affiliates) as an additional insured on such policies of insurance. Furthermore, to the extent reasonably practicable, LLC shall use commercially reasonable efforts to have Cinemark listed as an additional insured on any insurance policy carried by the advertiser, agent or event promoter in connection with Advertising Services provided under this Agreement.

**Section 12.06 Most Favored Nations.** LLC shall promptly provide to Cinemark a copy of each agreement, amendment or extension as may be entered into by LLC on or after the Original Effective Date with each Founding Member which amends any term of the Exhibitor Services Agreement entered into with any of the Founding Members, as such may be amended from time to time. The Parties recognize and acknowledge that the provision of the Advertising Services is dependent on the cooperation and operational support of LLC and the Founding Members and, from time to time, LLC may elect to waive compliance with a term of this Agreement or a term of an Exhibitor Services Agreement entered into with another Founding Member, so long as LLC acts reasonably and fairly in granting waivers requested by each of Regal, AMC and Cinemark, as applicable. If LLC acts reasonably and fairly in granting such waivers to each of Regal, AMC and Cinemark and any such waivers do not materially alter the applicable Exhibitor Services Agreement, then such waiver will not be considered an amendment of the relevant exhibitor's Exhibitor Services Agreement for purposes of this Agreement and shall not be covered by the terms of this Section 12.06. Such copies shall be redlined to reflect all differences between such agreements or amendments and this Agreement or corresponding amendment. At the election of Cinemark, by written notice to LLC within twenty (20) days following its receipt of such agreements or amendments, to amend this Agreement so that it conforms, in part or whole, to any one of such agreements or amendments, this Agreement shall be deemed so amended by LLC and Cinemark as soon as reasonably practicable after receipt of such notice.

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**Section 12.07 Non-Competition and Non-Solicitation**

(a) Non-Competition. In consideration of Cinemark's participation in LLC and in consideration of the mutual covenants and agreements contained in this Agreement, Cinemark and its Affiliates agree, except as otherwise provided in this Agreement, not to engage or participate in any business, hold equity interests, directly or indirectly, in another entity, whether currently existing or hereafter created, or participate in any other joint venture that competes or would compete with any business that LLC is authorized to conduct in the Territory pursuant to this Agreement, whether or not LLC is actually conducting such business in a particular portion of the Territory. The foregoing restrictions shall not apply (i) in the event Cinemark or its Affiliate acquires a competing business in the Territory as an incidental part of an acquisition of any other business that is not prohibited by the foregoing, if Cinemark disposes of the portion of such business that is a competing business as soon as practicable, (ii) to any direct or indirect ownership or other equity investments by Cinemark or its Affiliates in such other competing business that represents in the aggregate less than 10% of the voting power of all outstanding equity of such business, and (iii) in the event Cinemark enters into any agreement for the acquisition or installation of equipment or the provision of services on customary terms that does not violate the exclusivity of LLC hereunder with any entity that has other businesses and provides other services that may compete with LLC.

(b) Non-Solicitation. For the Term of this Agreement and a three-year period after its termination or expiration, each Party shall not, without the prior written approval of the other Party, directly or indirectly: (i) solicit for hire any employees of any other Party or its Affiliates at the level of vice president or higher; or (ii) induce any such employee of such Party to terminate their relationship with such Party. The foregoing will not apply to individuals hired as a result of the use of a general solicitation (such as a newspaper, radio or television advertisement) not specifically directed to the employees of such Party.

**ARTICLE 13**

**OWNERSHIP**

**Section 13.01 Property**

(a) LLC Property. As between LLC and Cinemark, LLC owns, solely and exclusively, any and all right, title, and interest in and to the Advertising Services (including all Inventory and other content supplied by or on behalf of LLC), the LLC Marks, the Software (excluding any Software owned by Cinemark as provided in the License Agreement), LLC's Confidential Information, the Digital Content Network, and any and all other data, information, Equipment (excluding the Cinemark Equipment), material, inventions, discoveries, processes, methods, technology, know-how, written works, software, works of visual art, audio works, and multimedia works provided, developed, created, reduced to practice, conceived, or made available by or on behalf of LLC to Cinemark or used by LLC to perform any of its obligations under or in connection with this Agreement, as well as any and all translations, improvements, adaptations, reproductions, look and feel attributes, and derivatives thereof (collectively, the "**LLC Property**"), and, except as expressly and explicitly stated in this Agreement, reserves all such right, title, and interest.

(b) **Cinemark Property.** As between Cinemark and LLC, Cinemark owns, solely and exclusively, any and all right, title, and interest in and to all content supplied by or on behalf of Cinemark, the Cinemark Marks, Software not included in Section 13.01(a) above, Cinemark's Confidential Information, and any and all other data, information, Equipment (excluding the LLC Equipment), material, inventions, discoveries, processes, methods, technology, know-how, written works, software, works of visual art, audio works, and multimedia works provided, developed, created, reduced to practice, conceived, or made available by or on behalf of Cinemark to LLC or used by Cinemark to perform any of its obligations under or in connection with this Agreement, as well as any and all translations, improvements, adaptations, reproductions, look-and-feel attributes, and derivatives thereof (collectively, the "**Cinemark Property**"), and, except as expressly and explicitly stated in this Agreement, reserves all such right, title, and interest.

**Section 13.02 Derived Works.**

(a) **Derived Works from LLC Property.** Any and all data, information, and material created, conceived, reduced to practice, or developed pursuant to this Agreement, but not pursuant to the License Agreement, including, without limitation, written works, processes, methods, inventions, discoveries, software, works of visual art, audio works, look-and-feel attributes, and multimedia works, to the extent based on, using, or derived from, in whole or in part, any LLC Property, whether or not done on LLC's facilities, with LLC's equipment, or by LLC personnel, by either Party alone or with each other or any third party, and any and all right, title, and interest therein and thereto (including, but not limited to, the right to sue for past infringement) (collectively, "**LLC Derived Works**"), shall be owned solely and exclusively by LLC, and Cinemark hereby assigns, transfers, and conveys to LLC any right, title, or interest in or to any LLC Derived Work which it may at any time acquire by operation of law or otherwise. To the extent any LLC Derived Works are included in the Advertising Services, LLC hereby grants to Cinemark during the Term a non-exclusive, non-transferable, non-sublicenseable license to such LLC Derived Works solely for use in connection with the Advertising Services, as expressly provided by this Agreement.

(b) **Derived Works from Cinemark Property.** Except as specified in Section 13.02(a), any and all data, information, and material created, conceived, reduced to practice, or developed pursuant to this Agreement, but not pursuant to the License Agreement, including, without limitation, written works, processes, methods, inventions, discoveries, software, works of visual art, audio works, look-and-feel attributes, and multimedia works, to the extent based on, using, or derived from, in whole or in part, any Cinemark Property (and specifically including any materials included in the Policy Trailer or the Branded Slots based on or derived from materials supplied by Cinemark), whether or not done on Cinemark's facilities, with Cinemark's or LLC's equipment, or by Cinemark personnel, by either Party alone or with each other or any third party, and any and all right, title, and interest therein and thereto (including, but not limited to, the right to sue for past infringement) (collectively, "**Cinemark Derived Works**"), shall be owned solely and exclusively by Cinemark, and LLC hereby assigns, transfers, and conveys to Cinemark any right, title, or interest in or to any Cinemark Derived Work which it may at any time acquire by operation of law or otherwise. To the extent any Cinemark Derived Works are included in the Advertising Services, Cinemark hereby grants to LLC during the Term a nonexclusive, non-transferable, non-sublicenseable license to such Cinemark Derived Works solely for use in connection with the Advertising Services, as expressly provided by this Agreement.

**Section 13.03 No Title.** This Agreement is not an agreement of sale, and (a) no title or ownership interest in or to any LLC Property is transferred to Cinemark, and (b) no title or ownership interest in or to any Cinemark Property is transferred to LLC, as a result of or pursuant to this Agreement. Further, (i) Cinemark acknowledges that its exercise of rights with respect to the LLC Property shall not create in Cinemark any right, title or interest in or to any LLC Property and that all exercise of rights with respect to the LLC Property and the goodwill symbolized thereby or connected therewith will inure solely to the benefit of LLC, and (ii) LLC acknowledges that its exercise of rights with respect to the Cinemark Property shall not create in LLC any right, title or interest in or to any Cinemark Property and that all exercise of rights with respect to the Cinemark Property and the goodwill symbolized thereby or connected therewith will inure solely to the benefit of Cinemark.

## ARTICLE 14

### CONFIDENTIALITY

**Section 14.01 Confidential Treatment.** For a period of three years after the termination of this Agreement:

(a) **Treatment of Confidential Information.** Each Party shall use and cause its Affiliates to use the same degree of care it uses to safeguard its own Confidential Information and to cause its and its Affiliates' directors, officers, employees, agents and representatives to keep confidential all Confidential Information; and each Party shall hold and shall cause its Affiliates to hold and shall cause its and its Affiliates' directors, officers, employees, agents and representatives to hold in confidence, unless compelled to disclose by judicial or administrative process or, in the opinion of counsel, by the requirements of law, Confidential Information.

(b) **LLC's Confidential Information.** Cinemark agrees that the Confidential Information of LLC shall only be disclosed in secrecy and confidence, and is to be maintained by Cinemark in secrecy and confidence subject to the terms hereof. Cinemark shall (i) not, directly or indirectly, use the Confidential Information of LLC, except as necessary in the ordinary course of LLC's business, or disclose the Confidential Information of LLC to any third party and (ii) inform all of its employees to whom the Confidential Information of LLC is entrusted or exposed of the requirements of this Section and of their obligations relating thereto.

(c) **Cinemark's Confidential Information.** Confidential Information of Cinemark shall not be supplied by LLC or its Subsidiaries to any Person who is not an employee of LLC, including any employee of a Member or of LLC's manager who is not an employee of LLC. Notwithstanding the foregoing, Cinemark Confidential Information may be disclosed to authorized third-party contractors of LLC if LLC determines that such disclosure is reasonably necessary to further the business of LLC, and if such contractor executes a non-disclosure agreement preventing such contractor from disclosing Cinemark's Confidential Information for the benefit of each provider of Cinemark's Confidential Information in a form reasonably acceptable to the Founding Members. Cinemark's Confidential Information disclosed to LLC shall not be shared with any other Member without Cinemark's written consent.

**Section 14.02 Injunctive Relief.** It is understood and agreed that each Party's remedies at law for a breach of this Article 14, as well as Section 12.07, will be inadequate and that each Party shall, in the event of any such breach or the threat of such breach, be entitled to equitable relief (including without limitation provisional and permanent injunctive relief and specific performance) from a court of competent jurisdiction. The Parties shall be entitled to the relief described in this Section 14.02 without the requirement of posting a bond. Nothing stated herein shall limit any other remedies provided under this Agreement or available to the Parties at law.

## ARTICLE 15

### MISCELLANEOUS

**Section 15.01 Notices.** All notices, consents, and other communications between the Parties under or regarding this Agreement shall be in writing and shall be sent to the recipient's address set forth in this section by hand delivery, nationally respected overnight carrier, or certified mail, return receipt requested. Such communications shall be deemed to have been received on the date actually received

LLC: National CineMedia, LLC  
9110 East Nichols Ave., Suite 200  
Centennial, CO 80112  
Attention: Chief Executive Officer

with a copy to: National CineMedia, LLC  
9110 East Nichols Ave., Suite 200  
Centennial, CO 80112  
Attention: General Counsel

Cinemark: Cinemark USA, Inc.  
c/o Cinemark Holdings, Inc.  
3900 Dallas Parkway, Suite 500  
Plano, TX 75093  
Fax: 972-665-1003  
Attn: Mike Cavalier, Senior Vice President-  
General Counsel

with a copy to: Hogan Lovells US LLP  
1200 Seventeenth Street, Suite 1500  
Denver, CO 80202  
Attention: David London

Either Party may change its address for notices by giving written notice of the new address to the other Party in accordance with this section, but any element of such Party's address that is not newly provided in such notice shall be deemed not to have changed.

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**Section 15.02 Waiver; Remedies.** The waiver or failure of either Party to exercise in any respect any right provided hereunder shall not be deemed a waiver of such right in the future or a waiver of any other rights established under this Agreement. All remedies available to either Party hereto for breach of this Agreement are cumulative and may be exercised concurrently or separately, and the exercise of any one remedy shall not be deemed an election of such remedy to the exclusion of other remedies.

**Section 15.03 Severability.** Should any term or provision of this Agreement be held to any extent unenforceable, invalid, or prohibited under law, then such provision shall be deemed restated to reflect the original intention of the Parties as nearly as possible in accordance with applicable law and the remainder of this Agreement. The application of any term or provision restated pursuant hereto to Persons, property, or circumstances other than those as to which it is invalid, unenforceable, or prohibited, shall not be affected thereby, and each other term and provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

**Section 15.04 Integration; Headings.** The Parties hereto agree that the Amended and Restated Exhibitor Services Agreement dated as of July 15, 2005 was terminated (except as otherwise provided in the Letter Agreement dated as of February 13, 2007 by and among LLC, AMC, Cinemark and Regal (the “**ESA Payment Letter**”), and replaced by the Original Agreement and the exhibits thereto. The Original Agreement and the ESA Payment Letter constituted the complete and exclusive statement of the agreement between the Parties with respect to the subject matter of the Original Agreement as of February 13, 2007, and superseded any and all other prior or contemporaneous oral or written communications, proposals, representations, and agreements, express or implied. This Agreement and the exhibits hereto, together with the Digital Programming Exhibitor Services Agreement, amends and replaces the Original Agreement (as amended by the Amendments) as of the date hereof and, as of the Restated Effective Date, the Original Agreement (as amended by the Amendments) shall be of no further force or effect. This Agreement may be amended only by mutual agreement expressed in writing and signed by both Parties, except as otherwise provided in Section 12.06. Headings used in this Agreement are for reference only and shall not affect the interpretation of this Agreement.

**Section 15.05 Construction.** The Parties hereto have participated jointly in the negotiation and drafting of this Agreement. In the event an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the Parties and no presumption or burden of proof shall arise favoring or disfavoring any Party by virtue of the authorship of any of the provisions of this Agreement. Whenever required by the context, any pronoun used in this Agreement shall include the corresponding masculine, feminine or neuter forms, and the singular forms of nouns, pronouns, and verbs shall include the plural and vice versa. Reference to any agreement, document, or instrument means such agreement, document, or instrument as amended or otherwise modified from time to time in accordance with the terms thereof, and if applicable. The use of the words “include” or “including” in this Agreement shall be by way of example rather than by limitation. The use of the words “or,” “either” or “any” shall not be exclusive.

**Section 15.06 Non-Recourse.** Notwithstanding anything contained in this Agreement to the contrary, it is expressly understood and agreed by the Parties hereto that each and every representation, warranty, covenant, undertaking and agreement made in this Agreement was not made or intended to be made as a personal representation, undertaking, warranty, covenant, or agreement on the part of any individual or of any partner, stockholder, member or other equity holder of either Party hereto, and any recourse, whether in common law, in equity, by statute or otherwise, against any such individual or entity is hereby forever waived and released.

**Section 15.07 Governing Law; Submission to Jurisdiction.** Subject to the provisions of Section 14.02 and the Parties' agreement that the United Nations Convention on Contracts for the International Sale of Goods shall not apply to this Agreement and is hereby disclaimed by the Parties:

(a) **Governing Law.** This Agreement is to be construed in accordance with and governed by the internal laws of the State of Delaware without giving effect to any choice of law rule that would cause the application of the laws of any jurisdiction other than the internal laws of the State of Delaware to the rights and duties of the Parties.

(b) **Jurisdiction.** Each Party hereto agrees that any legal action or other legal proceeding relating to this Agreement or the enforcement of any provision of this Agreement shall be brought or otherwise commenced exclusively in any state or federal court located in Delaware or in New York, New York. Subject to the preceding sentence, each Party hereto:

(i) expressly and irrevocably consents and submits to the jurisdiction of each state and federal court located in New York, New York (and each appellate court located in the State of New York) in connection with any such legal proceeding, including to enforce any settlement, order or award;

(ii) consents to service of process in any such proceeding in any manner permitted by the laws of the State of New York, and agrees that service of process by registered or certified mail, return receipt requested, at its address specified pursuant to Section 15.01 is reasonably calculated to give actual notice;

(iii) agrees that each state and federal court located in New York, New York shall be deemed to be a convenient forum;

(iv) waives and agrees not to assert (by way of motion, as a defense or otherwise), in any such legal proceeding commenced in any state or federal court located in New York, New York, any claim that such Party is not subject personally to the jurisdiction of such court, that such legal proceeding has been brought in an inconvenient forum, that the venue of such proceeding is improper or that this Agreement or the subject matter hereof or thereof may not be enforced in or by such court; and

(v) agrees to the entry of an order to enforce any resolution, settlement, order or award made pursuant to this Section by the state and federal courts located in New York, New York and in connection therewith hereby waives, and agrees not to assert by way of motion, as a defense, or otherwise, any claim that such resolution, settlement, order or award is inconsistent with or violative of the laws or public policy of the laws of the State of New York or any other jurisdiction.

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**(c) Costs and Expenses.** In the event of any action or other proceeding relating to this Agreement or the enforcement of any provision of this Agreement, the prevailing party (as determined by the court) shall be entitled to payment by the non-prevailing party of all costs and expenses (including reasonable attorneys' fees) incurred by the prevailing party, including any costs and expenses incurred in connection with any challenge to the jurisdiction or the convenience or propriety of venue of proceedings before any state or federal court located in New York, New York.

**Section 15.08 Assignment.** Neither Party may assign or transfer, by operation of law or otherwise, any of its rights or obligations under this Agreement to any third party without the other Party's prior written consent. Either Party may fulfill their respective obligations hereunder by using third-party vendors or subcontractors; provided, however that such Party shall remain fully and primarily responsible to ensure that such obligations are satisfied. Cinemark acknowledges and agrees that in the event of assignment or transfer by the sale of all or substantially all of its assets, the failure to obtain (by operation of law or otherwise) an agreement in writing by assignee/transferee to be bound by the terms of this Agreement to the same extent as if such assignee/transferee were a party hereto (an "**Assignment and Assumption**") of its interest in this Agreement in respect of such assets as part of the sale shall constitute a material breach of this Agreement. Notwithstanding the foregoing, this Agreement shall not be assignable by either Party unless the assignee enters into an Assignment and Assumption. A Permitted Transfer shall not be deemed an assignment or transfer for purposes of this Agreement; provided, however, any Permitted Transfer by assignment to an Affiliate of Cinemark shall be (i) conditioned upon (A) the transferee entering into an Assignment and Assumption, (B) Cinemark agreeing in writing to remain bound by the obligations under this Agreement, and (ii) effective only so long as the Affiliate remains an Affiliate of transferee. Any attempted assignment in violation of this section shall be void.

**Section 15.09 Force Majeure.** Any delay in the performance of any duties or obligations of either Party (except the payment of money owed) will not be considered a breach of this Agreement if such delay is caused by a labor dispute, shortage of materials, fire, earthquake, flood, or any other event beyond the control of such Party, provided that such Party uses commercially reasonable efforts, under the circumstances, to notify the other Party of the circumstances causing the delay and to resume performance as soon as possible.

**Section 15.10 Third Party Beneficiary.** The Parties hereto do not intend, nor shall any clause be interpreted, to create under this Agreement any obligations or benefits to, or rights in, any third party from either LLC or Cinemark. Neither Party hereto is granted any right or authority to assume or create any obligation or responsibility, express or implied, on behalf of, or in the name of, the other Party, or to bind the other Party in any matter or thing whatever. No Affiliate of either Party shall have any liability or obligation pursuant to this Agreement. Each Party shall be solely responsible, and each Party agrees to look solely to the other, for the satisfaction of such other Party's obligations under this Agreement.

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**Section 15.11 Export.**

**(a) LLC's Software and Confidential Information.** Cinemark acknowledges and agrees: (i) that the Software and the Confidential Information of LLC are subject to the export controls of the United States, and (ii) that Cinemark has no right to, and further agrees that it will not, export or otherwise transfer or permit the transfer of any Software or Confidential Information of LLC outside the Territory. Cinemark will defend, indemnify, and hold harmless LLC from and against all fines, penalties, liabilities, damages, costs, and expenses incurred by LLC as a result of any failure to comply with the preceding sentence.

**(b) Cinemark's Confidential Information.** LLC acknowledges and agrees: (i) that the Confidential Information of Cinemark is subject to the export controls of the United States, and (ii) that LLC has no right to, and further agrees that it will not, export or otherwise transfer or permit the transfer of any Confidential Information of Cinemark outside the Territory. LLC will defend, indemnify, and hold harmless Cinemark from and against all fines, penalties, liabilities, damages, costs, and expenses incurred by Cinemark as a result of any failure to comply with the preceding sentence.

**Section 15.12 Independent Contractors.** The Parties' relationship to each other is that of an independent contractor, and neither Party is an agent or partner of the other. Neither Party will represent to any third party that it has, any authority to act on behalf of the other.

**Section 15.13 Counterparts.** This Agreement may be executed in any number of separate counterparts each of which when executed and delivered to the other Party hereto shall be an original as against the Party whose signature appears thereon, but all such counterparts shall together constitute one and the same instrument.

[Signature Page to Follow]

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IN WITNESS WHEREOF, the Parties have executed this Agreement as of the day and year first above written.

**CINEMARK USA, INC.**

By: /s/ Michael Cavalier  
Name: Michael Cavalier  
Title: Senior Vice President – General Counsel

**NATIONAL CINEMEDIA, LLC**

By: **NATIONAL CINEMEDIA, INC.,**  
Its Manager  
By: /s/ Kurt C. Hall  
Name: Kurt C. Hall  
Title: Chairman and Chief Executive Officer

[Signature page to ESA - Advertising]

**EXHIBITS TO AMENDED AND RESTATED EXHIBITOR SERVICES AGREEMENT**  
**(AMENDED AND RESTATED AS OF DECEMBER 26, 2013)**

**EXHIBIT A**

**DESCRIPTION OF ADVERTISING SERVICES**

“Advertising Services” consist of the following:

1. *Lobby Promotions*. “**Lobby Promotions**” means as follows:

All lobby promotions and other in-theatre promotional activities (excluding the Digital Content Service, the Digital Carousel, the Traditional Content Program and other on-screen content, as described in 3 below), but specifically excluding the following promotional activities (which Cinemark shall retain the right to perform and have performed on its behalf):

- (i) promotional activities arising under the Cinemark contracts identified in the Specification Documentation;
- (ii) (1) poster case advertising, digital poster case advertising, advertising on digital animated poster cases, ATM or ticket kiosk screens (or such items that may replace digital poster cases, or ATM or ticket kiosk screens in the future) or other substantially similar display mechanisms and other lobby or in-theatre promotions for (A) Theatre Advertising, (B) film festivals organized by Cinemark (unless such poster cases have been sold by LLC), (C) fundraising programs conducted by Cinemark for any non-profit organizations, (D) full-length theatrical productions, (E) Digital Programming Events and (F) other promotional material that may include some or all of the following types of content: isolated images or still scenes from feature films or Digital Programming Events, full motion elements that are not a Trailer or Event Trailer, interactive elements, audio elements and motion sensors; provided, however, that no Trailers, Event Trailers or content equivalent to Trailers or Event Trailers are displayed;
- (2) drink cup and popcorn bag/tub advertising related to the Concessions, as necessary to fulfill contractual obligations of Cinemark with respect to promotion of such Concessions in the Theatres;

- (3) lobby or in-theatre promotions and advertising for vendors of services provided to the Theatres, provided such promotion is incidental to the vendor's service, including by way of illustration and not limitation, (A) logos of Movietickets.com and Fandango related to promotions for online ticketing services, (B) credit card company logos displayed at the box office, automated box office, Concession stands, cafes, arcades, and lobby kiosks, (C) bank logos displayed at ATM's, (D) phone company logos displayed at public telephones, and (E) logos of vendors who provide restroom soaps, toilet paper and lotions;
- (4) logos on digital menu boards at the Concession stand or digital displays at the box office of manufacturers of such products;
- (5) advertising and/or signage pursuant to the IMAX agreement (if applicable); and
- (6) any trademark, service mark, logo or other branding of Cinemark (or its theatre-operating Affiliates), film studio(s), distributors and production companies and of Alternative Content JV, distributors and production companies for a Digital Programming Event;

provided, however, that Cinemark shall not be permitted to exhibit or display any promotion described in this Section 1.(ii), if such promotion features any trademark, service mark, logo or other branding of a party other than the film studio(s), distributors, production companies, Concession providers, or other service vendors or providers responsible for the production or promotion, as applicable, or of Cinemark (or its theatre-operating Affiliates), unless such promotion (x) relates to a Strategic Program that complies with Section 4.07(b) or (y) in connection with an Digital Programming Event contains only a Sponsor Message.

Popcorn bags, popcorn tubs, cups and kids' trays will be provided according to Cinemark's template and packaging requirements, subject to Cinemark's providing reasonable notice of changes to any such requirements. LLC may obtain advertising for all of the surface area of all such items that is not required (i) under the Beverage Agreement, (ii) as necessary to fulfill contractual obligations of Cinemark with respect to Concessions, and (iii) incidental branding needs of Cinemark, subject to the terms contained in the Beverage Agreement. Cinemark shall not amend or modify any contract to the extent such amendment or modification would be inconsistent with the exclusive rights of LLC hereunder or have the effect of any extension of third party restrictions on surface area advertising on such popcorn bags, popcorn tubs, cups and kids' trays, except as permitted under Section 4.06(a) with respect to the Beverage Agreement or as permitted under Section 4.07(a).

2. *Event Sponsorships*

“**Event Sponsorship**” means the sale of advertising or sponsorships with respect to any Digital Programming Event exhibited or shown in Theatres.

“**Event Simulcast Advertising Services**” means the sale of advertising with respect to any Digital Programming Event Simulcast. For clarification, to the extent that the content provider allows any third-party advertising to be included in a Digital Programming Event Simulcast, other than that provided by or on behalf of the content provider, LLC shall have the exclusive right, subject to the rights granted by LLC to the Alternative Content JV in the Alternative Content JV Services Agreement, to provide such advertising content.

3. *Digital Content Service, Digital Carousel and Traditional Content Program*

The Digital Content Service (which includes the Pre-Feature Program, Policy Trailer, and the Video Display Program), the Digital Carousel and the Traditional Content Program, and all other on-screen content which is exhibited in Theatre auditoriums prior to the feature film presentation or a Digital Programming Event, but specifically excluding Trailers and Event Trailers. Additionally, if agreed upon by LLC and Alternative Content JV, the Digital Content Service may include the Digital Programming Event Pre-Feature Program.

4. *3D Advertising Services*

“**3d Advertising Services**” means any of the Digital Carousel, the Pre-Feature Program, the Policy Trailer portions of the Advertising Services that are viewed by theatre patrons in 3D by using the Digital Cinema Equipment and 3D Glasses.

## EXHIBIT A-1

**CINEMARK**  
**INVENTORY FOR LOBBY PROMOTIONS**

The Inventory of Lobby Promotions for each Theatre to which LLC has "pre-approved" access is as listed below. Per Flight (unless otherwise specified below), LLC may provide each Theatre with any combination of Lobby Promotions as described below.

<u>Item</u>	<u>Inventory per Flight</u>	<u>Quantity</u>	<u>Spec</u>
Box Office Handout <i>(1 handout per transaction; not film specific)</i>	2 programs per Theatre	TBD	3"x5" 2-sided
Exit Sampling	1 program per Theatre	TBD	
Poster Case  <i>(1-11 screens: 1 poster; 12 screens: 2 posters; 13-20 screens: 3 posters; 21+ screens: 4 posters)</i>	1 program per Theatre	varies (below) Live Area	27"x40" 24"x38"
Tabling/Demo <i>(No active "recruitment" of patrons)</i>	1 program per Theatre	1 per client	4-6' table
Vehicle/Motorcycle <i>(Displays limited to specific list of Theatres provided by Cinemark, and updated from time to time after reasonable advance notice to LLC)</i>	1 program per Theatre	1 per client	
Background Music	1 program per Theatre	N/A	N/A
Counter Cards	2 programs per Theatre	2-3 per client	13"x16.5"x4"
Danglers	1 programs per Theatre per quarter	2-3 per client	18"x24"
Static Clings	1 program per Theatre per quarter	2-3 per client	4"x6"
Banners	1 program per Theatre per quarter	1 per client	6'x4'

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Lobby Display <i>(Displays limited to specific list of Theatres provided by Cinemark, and updated from time to time after reasonable advance notice to LLC)</i>	2 programs per Theatre	1 per client	4'x6'
Lobby Standee <i>(Displays limited to specific list of Theatres provided by Cinemark, and updated from time to time after reasonable advance notice to LLC)</i>	2 programs per Theatre	1 per client	3'x5'
Floor Mats	1 program per Theatre per quarter	1 per client	4"x6'

**EXHIBIT B**

**A. Creative Services (See Section 4.05(e))**

LLC will provide Cinemark with up to 1,000 hours per year associated with Creative Services in conjunction with the creation of certain elements of the Pre-Feature Program (including the Policy Trailer, the Brand, and the Branded Slots, but excluding the Digital Programming Event Pre-Feature Program, Event Sponsorships and Branded Slots used for the promotion of Digital Programming Events) and Video Display Program (but excluding materials used for the promotion of Digital Programming Events) at no charge. Additional hours will be billed as set forth in item 2 below. The Creative Services provided at no cost may not include creation of Strategic Programs or any materials in connection with Digital Programming Events or Event Sponsorship.

“Creative Services” include the provision of (i) concept work, idea creation, scripting, treatments, storyboarding, timelines and animatics, (ii) execution, animation, production, post production, sound design, final encoding and the preparation of all deliverables, and (iii) project management, meetings, communications, sub contractor management and all administrative activity related to said creative services.

*1. Allocated 1,000 Hours Per Year*

All projects will be quoted on a GMH (Guaranteed Maximum Hours) basis by which the Parties will agree to the concept and execution plan of the project. This agreement may be based on treatments, scripts, storyboards, timelines or animatics and will define the intended scope of all creative projects. LLC will guarantee the total maximum hours allocated to the project regardless of actual hours invested so long as the defined scope is not increased. Scope increases may cause LLC to allocate more hours to a project and therefore could cause overruns in the project’s GMH, resulting in additional hours (and possibly fees). In all cases, any work resulting in overruns will be communicated to Cinemark by LLC prior to the work actually being done.

There is no specific deliverable attached to the accrual of hours, meaning that any project cancelled, put on hold, or for which production may extend beyond the anniversary of the agreement, will still have hours accrued against it that were incurred in that corresponding year. At the end of each calendar year, the balance of hours will be zeroed out. Unused hours will not carry forward. LLC shall provide a quarterly status report to Cinemark of all hours spent on any particular project as well as the amount of hours spent on an aggregate basis for all projects in any given calendar year.

*2. Additional Work*

Upon the utilization of 1,000 hours of Creative Services provided by LLC to Cinemark on any combination of projects within one calendar year, LLC will begin charging exhibitor \$[\*\*\*] per hour for all additional hours, subject to the CPI Adjustment. These charges will be consistent for all Creative Services provided across all creative groups within LLC.

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**B. Beverage Agreement Advertising Rate (See Section 4.06(a))**

The initial Beverage Agreement Advertising Rate as of the Original Effective Date is \$[\*\*\*] per thousand attendees in Cinemark Attendance for a 30-second advertisement. The Beverage Agreement Advertising Rate shall (i) increase 8% per year for each of the first two fiscal years beginning at the end of LLC's 2007 fiscal year; (ii) beginning at the end of the period set forth in (i) above, increase 6% per year for each of the next two fiscal years; and (iii) beginning at the end of the period set forth in (ii) above, increase in an amount equal to the annual percentage increase in the advertising rates per thousand attendees charged by LLC to unaffiliated third parties (excluding the advertising associated with the Beverage Agreement) for on-screen advertising in the Pre-Feature Program during the last six minutes preceding the start of the feature film for each fiscal year for the remainder of the Term, but in no event more than the highest advertising rate per thousand attendees being then-charged by LLC.

The rate for a longer or shorter advertisement shall be adjusted based on a multiple or percentage of the 30-second rate. For illustrative purposes, the initial Beverage Agreement Advertising Rate for 90 seconds of advertising as of the Original Effective Date would be \$[\*\*\*]. The Beverage Agreement Advertising Rate of \$[\*\*\*] agreed to by the Parties as of the Original Effective Date is a discounted rate due to the length of the Agreement and the initial commitment to purchase 90 seconds of advertising.

**C. Event Services Administrative Fee (See Section 8.02)**

The Administrative Fee to be charged for delivery of Trailers, Event Trailers, PSA Trailers, meeting events, Digital Programming Events or Digital Programming Event Pre-Feature Programs shall cover all post production services (including ingesting, editing and encryption) performed by LLC and delivery of content to Theatre(s) through the Digital Content Network. If LLC establishes an additional digital network, pricing related to services provided for such network will be developed separately.

The Administrative Fee shall be negotiated by LLC and Cinemark in good faith from time to time to ensure that the Administrative Fee being paid to LLC is equal to a market rate negotiated at arms length between third parties.

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CINEMARK

Schedule 3.06(a)

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**Schedule 1**  
**Calculation of Exhibitor Allocation, Theatre Access Fee and Run-Out Obligations**

**A. Definitions**

Within the context of this Schedule 1, the following terms shall have the following meanings:

**“4.03 Participating Attendance”** means the sum of Regal Attendance, Cinemark Attendance and AMC Attendance, calculated only with respect to Theatres, Cinemark Theatres and AMC Theatres that display an advertising campaign that Cinemark has not displayed in at least some Theatres pursuant to Section 4.03(viii) or (ix) of this Agreement or because of lack of equipment to display the Video Display Program.

**“4.03 Theatre Access Fee”** means the product of (i) the difference between (A) Cinemark 4.03 Opt-In Revenue minus (B) Cinemark Opt-Out Revenue, multiplied by (ii) the Theatre Access Pool Percentage. It is possible that the 4.03 Theatre Access Fee could be a negative number.

**“Advertising-Related EBITDA”** means, for the applicable measurement period, LLC EBITDA, less the sum of Non-Service EBITDA.

**“Aggregate 4.03 Opt-In Attendance”** means, with respect to any advertising campaign that is displayed by some but not all Founding Members pursuant to Section 4.03(i), (iii), (iv), (v) or (vi), the sum of attendance for each of the Founding Members that participate in such advertising campaign, with such attendance calculated for the applicable fiscal month pursuant to the definition of Regal Attendance, Cinemark Attendance and AMC Attendance, as applicable.

**“Aggregate 4.03 Opt-In Revenue”** means the sum of all 4.03 Revenue for each advertising campaign that any Founding Member opted not to display pursuant to Section 4.03(i), (iii), (iv), (v) or (vi) during the applicable measurement period.

**“Aggregate Theatre Access Fee”** means the sum of the Theatre Access Fee and the comparable theatre access fee payments made to Cinemark and AMC for the applicable period.

**“Aggregate Theatre Access Pool”** means the sum of the Cinemark Theatre Access Pool plus the comparable calculations for Regal and AMC.

**“AMC Attendance”** means the total number of patrons in all AMC Theatre auditoriums (excluding auditoriums that do not run the applicable advertising due to human or technical error within AMC’s control, AMC’s failure to allow LLC to upgrade the Software or Equipment, AMC’s failure to install Equipment pursuant to its obligations under Section 3.04 of its Exhibitor Services Agreement or, after notice and opportunity to cure as set forth in Section 3.08(b) of its Exhibitor Services Agreement, as the result of AMC’s failure to repair or replace any AMC Equipment or AMC’s (or its Affiliates’) software installed at any Theatre, if such obligation to repair or replace is undertaken by AMC pursuant to Section 3.08(b) of its Exhibitor Services Agreement and excluding auditoriums with IMAX Screens that do not exhibit Inventory), during the applicable measurement period.

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“**AMC Equipment**” means the Equipment owned by AMC, pursuant to the AMC Exhibitor Agreement.

“**AMC Screen Count**” means the Screen Number with respect to all AMC Theatre screens for the applicable measurement period.

“**AMC Theatre Access Pool**” means the AMC Theatre Access Pool, calculated pursuant to the AMC Exhibitor Agreement.

“**Attendance Factor**” means, as of the Effective Date, [\*\*\*]% (which represents the percentage calculated for the fourth fiscal quarter of 2006 using the formula in the following sentence). Effective as of the first day of each succeeding fiscal quarter of LLC beginning with the second fiscal quarter of 2007, the Attendance Factor shall adjust and be a percentage equal to (i) the total revenue payable to LLC for the immediately preceding fiscal quarter attributable to advertising exhibited in the Theatres, Cinemark Theatres and AMC Theatres with respect to advertising contracts for which the pricing is based on attendance, flat fee or other than number of screens, divided by (ii) the total revenue payable to LLC for the immediately preceding fiscal quarter attributable to all advertising exhibited by LLC in the Theatres, Cinemark Theatres and AMC Theatres.

“**Beverage Agreement Revenue**” means the aggregate revenue received by LLC related to the Beverage Agreement and Cinemark’s and AMC’s beverage agreements for the applicable measurement period.

“**Regal Attendance**” means the total number of patrons in all Regal Theatre auditoriums (excluding auditoriums that do not run the applicable advertising due to human or technical error within Regal’s control, Regal’s failure to allow LLC to upgrade the Software or Equipment, Regal’s failure to install Equipment pursuant to its obligations under Section 3.04 of its Exhibitor Services Agreement or, after notice and opportunity to cure as set forth in Section 3.08(b) of its Exhibitor Services Agreement, as the result of Regal’s failure to repair or replace any Regal Equipment or Regal’s (or its Affiliates’) software installed at any Theatre, if such obligation to repair or replace is undertaken by Regal pursuant to Section 3.08(b) of its Exhibitor Services Agreement and excluding auditoriums with IMAX Screens that do not exhibit Inventory), during the applicable measurement period.

“**Cinemark 4.03 Opt-In Revenue**” means Cinemark’s proportional share of the 4.03 Revenue resulting from advertising subject to Section 4.03(i), (iii), (iv), (v) or (vi) that was declined by Cinemark or AMC but that Cinemark exhibited in the fiscal month during which LLC provides the Advertising Services. Cinemark 4.03 Opt-In Revenue shall be calculated by aggregating, for the applicable fiscal month, the amount equal to the product of (i) the 4.03 Revenue for each relevant advertising campaign, multiplied by (ii) the following fraction (A) the numerator of which is Cinemark Attendance and (B) the denominator of which is Aggregate 4.03 Opt-In Attendance.

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**“Cinemark 4.03 Opt-Out Attendance”** means Cinemark Attendance calculated only with respect to Theatres that do not display an advertising campaign pursuant to Section 4.03(viii) or (ix) of this Agreement or because of lack of equipment to display the Video Display Program.

**“Cinemark 4.03 Opt-Out Revenue”** means the estimate of the proportional share of additional 4.03 Revenue that would have been available to LLC in the applicable fiscal month from an advertising campaign that was not displayed in all Theatres pursuant to Cinemark’s decision under Section 4.03(viii) or (ix) of this Agreement or lack of equipment to display the Video Display Program. Cinemark 4.03 Opt-Out Revenue shall be calculated by aggregating for the applicable fiscal month the amount equal to the product of (i) the 4.03 Revenue for each relevant advertising campaign, multiplied by (ii) the following fraction (A) the numerator of which is Cinemark 4.03 Opt-Out Attendance and (B) the denominator of which is 4.03 Participating Attendance.

**“Cinemark Attendance”** means the total number of patrons in all Theatre auditoriums (excluding auditoriums that do not run the applicable advertising due to human or technical error within Cinemark’s control, Cinemark’s failure to allow LLC to upgrade the Software or Equipment, Cinemark’s failure to install Equipment pursuant to its obligations under Section 3.04 or, after notice and opportunity to cure as set forth in Section 3.08(b), as the result of Cinemark’s failure to repair or replace any Cinemark Equipment or Cinemark’s (or its Affiliates’) software installed at any Theatre, if such obligation to repair or replace is undertaken by Cinemark pursuant to Section 3.08(b) of its Exhibitor Services Agreement and excluding auditoriums with IMAX Screens that do not exhibit Inventory), during the applicable measurement period.

**“Cinemark Attendance Ratio”** means the quotient of: (i) Cinemark Attendance, divided by (ii) the sum of (A) the Regal Attendance, (B) the Cinemark Attendance and (C) the AMC Attendance.

**“Cinemark Digital Screen Count”** means the Digital Screen Number with respect to all Theatres for the applicable measurement period.

**“Cinemark Screen Count”** means the Screen Number with respect to all Cinemark Theatre screens for the applicable measurement period.

**“Cinemark Screen Ratio”** means the quotient of: (i) Cinemark Screen Count, divided by (ii) the sum of (A) the Regal Screen Count, (B) the Cinemark Screen Count and (C) the AMC Screen Count.

**“Cinemark Theatre Access Pool”** means the Cinemark Theatre Access Pool, calculated pursuant to the Cinemark Exhibitor Agreement.

**“Cinemark Theatre Access Attendance Fee”** means the product of (i) the Theatre Access Fee per Patron and (ii) Cinemark Attendance for the applicable fiscal month.

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“**Cinemark Theatre Access Screen Fee**” means the product of (i) the Theatre Access Fee per Digital Screen and (ii) the Cinemark Digital Screen Count, calculated as the average between the number of Digital Screens on the last day of the preceding measurement period and the last day of the applicable measurement period.

“**Digital Screen Number**” means the total number of Digital Screens for the applicable measurement period, calculated as the average between the number of Digital Screens on the last day of the preceding measurement period and the last day of the applicable measurement period.

“**Encumbered Exhibitor Allocation**” means [\*\*\*].

“**Encumbered Service Revenue**” means [\*\*\*].

“**Exclusivity EBITDA**” means [\*\*\*].

“**Exclusivity Percentage**” means [\*\*\*].

“**Exclusivity Run-Out Payment**” means, for the applicable fiscal quarter, [\*\*\*].

“**Exhibitor Allocation**” means the sum of (i) the product of the Screen Factor and the Cinemark Screen Ratio, and (ii) the product of the Attendance Factor and the Cinemark Attendance Ratio.

“**Gross Advertising EBITDA**” means Advertising-Related EBITDA less any Beverage Agreement Revenue.

“**LLC EBITDA**” means the aggregate EBITDA of LLC for the applicable measurement period, excluding any Exclusivity Run-Out Payments paid pursuant to this Agreement or any Exhibitor Services Agreement.

“**Non-Encumbered Exhibitor Allocation**” means [\*\*\*].

“**Non-Service EBITDA**” means, for the applicable measurement period, the portion of LLC EBITDA attributable to a business line other than Advertising Services. For the avoidance of doubt, Non-Service EBITDA shall not include Exclusivity Run-Out Payments pursuant to this Agreement or any other Exhibitor Services Agreement.

“**Regal Equipment**” means the Equipment owned by Regal, pursuant to the Regal Exhibitor Agreement.

“**Regal Screen Count**” means the Screen Number with respect to all Theatres for the applicable measurement period.

“**Regal Theatre Access Pool**” means the Regal Theatre Access Pool, calculated pursuant to the Regal Exhibitor Agreement.

“**Screen Factor**” means the percentage resulting from 1 minus the Attendance Factor.

**“Screen Number”** means, with respect to any measurement period, the sum of the total number of screens in the applicable theatres on each day of the applicable measurement period, all divided by the number of days in the applicable measurement period, provided that a screen shall not be counted for purposes of this calculation if such screen is inaccessible to exhibit Inventory for the majority of the planned exhibitions for any particular day (i) with respect to the Theatres: due to human or technical error within Cinemark’s or its Affiliates’ control, Cinemark’s failure to allow LLC to upgrade the Software or Equipment (subject to Section 3.05), Cinemark’s failure to install Equipment pursuant to its obligations under Section 3.04 or, after notice and opportunity to cure as set forth in Section 3.08(b), as the result of Cinemark’s failure to repair or replace any Cinemark Equipment or Cinemark’s (or its Affiliates’) software installed at any Theatre, if such obligation to repair or replace is undertaken by Cinemark pursuant to Section 3.08(b), (ii) with respect to the Cinemark Theatres: due to human or technical error within Cinemark’s or its Affiliates’ control, Cinemark’s failure to allow LLC to upgrade the Software or Equipment (subject to Section 3.05 of its Exhibitor Services Agreement), Cinemark’s failure to install Equipment pursuant to its obligations under Section 3.04 of its Exhibitor Services Agreement or, after notice and opportunity to cure as set forth in Section 3.08(b), as the result of Cinemark’s failure to repair or replace any Cinemark Equipment or Cinemark’s (or its Affiliates’) software installed at any Theatre, if such obligation to repair or replace is undertaken by Cinemark pursuant to Section 3.08(b) of its Exhibitor Services Agreement), (iii) with respect to the AMC Theatres: due to human or technical error within AMC’s or its Affiliates’ control, AMC’s failure to allow LLC to upgrade the Software or Equipment (subject to Section 3.05 of its Exhibitor Services Agreement), AMC’s failure to install Equipment pursuant to its obligations under Section 3.04 of its Exhibitor Services Agreement or, after notice and opportunity to cure as set forth in Section 3.08(b), as the result of AMC’s failure to repair or replace any AMC Equipment or AMC’s (or its Affiliates’) software installed at any Theatre, if such obligation to repair or replace is undertaken by AMC pursuant to Section 3.08(b) of its Exhibitor Services Agreement), or (iv) if such screen is an IMAX Screen that does not exhibit Inventory.

**“Supplemental Theatre Access Fee”** means an annual payment from LLC to Cinemark to supplement the amount of the Theatre Access Fee, payable only if the Aggregate Theatre Access Fee is less than twelve percent of Aggregate Advertising Revenue for the applicable fiscal year. The Supplemental Theatre Access Fee, if any, is equal to the product of (i) (A) twelve percent of Aggregate Advertising Revenue for the relevant fiscal year minus (B) the Aggregate Theatre Access Fee for the relevant fiscal year, and (ii) the Cinemark Attendance Ratio for the relevant fiscal year.

**“Theatre Access Fee”** means a monthly payment from LLC to Cinemark in consideration for Theatres’ participation in Advertising Services, which shall be the sum of (i) the Cinemark Theatre Access Pool and (ii) the 4.03 Theatre Access Fee.

**“Theatre Access Fee per Digital Screen”** means \$66.67 per month per Digital Screen as of the Effective Date through the end of LLC’s 2007 fiscal year and shall increase 5% annually thereafter.

“**Theatre Access Fee per Patron**” means a fee of \$0.07 per Theatre patron as of the Effective Date and shall increase 8% every five years, with the first such increase after the end of LLC’s 2011 fiscal year. Patrons are counted as set forth in the definition of Cinemark Attendance.

“**Theatre Access Pool Percentage**” means (i) the Aggregate Theatre Access Pool for the applicable fiscal month, divided by (ii) the difference between (A) Aggregate Advertising Revenue minus (B) Aggregate 4.03 Opt-In Revenue, for the applicable fiscal month.

“**Theatre Maintenance Fee per Digital Cinema Screen**” means, (i) beginning in the month in which the conversion of any screen in any auditorium in any Theatre to a Digital Cinema Screen either through Dual Interface Architecture or the ACE Solution) is initially completed and is operational for the exhibition of the Pre-Feature Program and LLC has delivered the LLC Confirmation with respect to such Digital Cinema Screen or (ii) beginning in the month in which a new-build auditorium with a Digital Cinema Screen is initially operational for the exhibition of the Pre-Feature Program as confirmed by LLC, a monthly payment in addition to the Theatre Access Fee per Digital Screen shall be made from LLC to Cinemark in the amount of \$[\*\*\*] per month through the end of LLC’s 2011 fiscal year, which additional amount shall increase [\*\*\*]% annually thereafter, with payment for (y) the first month to be pro rata based upon the number of days in such month in which the converted screen is operational and (z) the last month in the term of this Agreement (or the last month in which the Digital Cinema Equipment is not removed from such Digital Cinema Screen) to be [\*\*\*]% of the applicable monthly payment then due. The amount of the Theatre Maintenance Fee per Digital Cinema Screen shall be the same regardless of whether the Dual Interface Architecture or the ACE Solution is chosen to deliver Advertising Services in any auditorium; provided that if Regal removes the Digital Cinema Equipment in any Digital Cinema Screen as permitted by Section 3.06, LLC shall no longer be liable to pay Regal the Theatre Maintenance Fee per Digital Cinema Screen with respect to such Digital Cinema Screen until such time as Projection System with respect to such Digital Cinema Screen is reinstalled.

In addition to the foregoing, the following terms have the meanings assigned in the Sections of this Agreement referred to in the table below:

<u>Term</u>	<u>Section</u>
Agreement	Preamble
4.03 Revenue	4.03
ACE Solution	Article 1
Advertising Services	Article 1
Affiliate	Article 1
Aggregate Advertising Revenue	Article 1
AMC Exhibitor Agreement	Article 1
AMC Theatre	Article 1
Beverage Agreement	Article 1
Cinemark	Preamble
Cinemark Equipment	Article 1
Digital Cinema Equipment	3.06
Digital Cinema Screen	Article 1

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<u>Term</u>	<u>Section</u>
Digital Screen	Article 1
Digitized Theatre	Article 1
Dual Interface Architecture	Article 1
EBITDA	Article 1
Effective Date	Preamble
Encumbered Theatre	4.08
Equipment	Article 1
Founding Members	Article 1
IMAX Screens	4.13(b)
Inventory	Article 1
LLC	Preamble
LLC Confirmation	3.06(a)
Pre-Feature Program	Article 1
Projection System	Article 1
Regal Exhibitor Agreement	Article 1
Regal Theatre	Article 1
Software	Article 1
Theatres	Article 1

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**B. Exhibitor Allocation**  
Formula

Exhibitor Allocation = (Screen Factor \* Cinemark Screen Ratio) + (Attendance Factor \* Cinemark Attendance Ratio); where:

- (1) Screen Factor = 1 - Attendance Factor
- (2) Cinemark Screen Ratio =  $\text{Cinemark Screen Count} / (\text{Regal Screen Count} + \text{Cinemark Screen Count} + \text{AMC Screen Count})$ 
  - (a) Screen Count (for each of Regal, Cinemark and AMC) = Screen Number for that exhibitor during the applicable measurement period
  - (b) Screen Number =  $\text{Number of screens available in the exhibitor's Theatres on each day of the applicable measurement period to exhibit Inventory} / \text{Total number of days in the applicable measurement period}$
- (3) Attendance Factor = Percentage of advertising revenue attributable to contracts with pricing based on any factor other than number of screens (e.g., pricing based on attendance or flat fee) compared to total advertising revenue, as calculated on the first day of each fiscal quarter
- (4) Cinemark Attendance Ratio =  $\text{Cinemark Attendance} / (\text{Regal Attendance} + \text{Cinemark Attendance} + \text{AMC Attendance})$ 
  - (a) Attendance (for each of Regal, Cinemark and AMC) = Total number of patrons in all of the exhibitor's Theatre auditoriums during the applicable measurement period

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<sup>1</sup> The meaning of each term used in this exhibitor allocation formula is qualified by the Definitions section of this Schedule 1.

### C. Theatre Access Fee

#### Formula<sup>2</sup> for Monthly Payments of Theatre Access Fee and Annual Payments of Supplemental Theatre Access Fee

Theatre Access Fee = Cinemark Theatre Access Pool + 4.03 Theatre Access Fee; where:

- (1) Cinemark Theatre Access Pool = Cinemark Theatre Access Attendance Fee + Cinemark Theatre Access Screen Fee
  - (a) Cinemark Theatre Access Attendance Fee = Theatre Access Fee per Patron \* Cinemark Attendance
    - (i) Theatre Access Fee per Patron = \$0.07 per patron (subject to an increase of 8% every five years, with the first such increase occurring after the end of LLC's 2011 fiscal year)
    - (ii) Cinemark Attendance = Number of patrons in all Theatre auditoriums that exhibit the advertising
  - (b) Cinemark Theatre Access Screen Fee = Theatre Access Fee per Digital Screen \* Cinemark Digital Screen Count
    - (i) Theatre Access Fee per Digital Screen = \$66.67 per Digital Screen (subject to a 5% annual increase, beginning after the end of LLC's 2007 fiscal year)
    - (ii) Cinemark Digital Screen Count = Number of screens in Digitized Theatres that exhibit advertising
- (2) 4.03 Theatre Access Fee = (Cinemark 4.03 Opt-In Revenue – Cinemark 4.03 Opt-Out Revenue) \* Theatre Access Pool Percentage
  - (a) Cinemark 4.03 Opt-In Revenue = For each advertising campaign that is displayed by Cinemark and contains content not displayed by Regal or AMC pursuant to Section 4.03(i), (iii), (iv), (v) or (vi) of this Agreement, the aggregate of the products obtained from the following calculation:  
4.03 Revenue for that advertising campaign \* (Cinemark Attendance / Aggregate 4.03 Opt-In Attendance)
    - (i) Cinemark Attendance = See Section B of this Schedule
    - (ii) Aggregate 4.03 Opt-In Attendance = Sum of Regal Attendance, Cinemark Attendance and AMC Attendance, as applicable, for the Founding Members that displayed such 4.03 content

<sup>2</sup> The meaning of each term used in this Theatre Access Fee formula and Supplemental Theatre Access Fee formula is qualified by the definitions in Section A of this Schedule 1.

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- (b) Cinemark Opt-Out Revenue = For each advertising campaign that is not displayed in all Theatres pursuant to Cinemark's decision under Section 4.03(viii) or (ix) of this Agreement or lack of equipment to display the Video Display Program, the aggregate of the products obtained by the following calculation:
- 4.03 Revenue for that advertising campaign \* (Cinemark 4.03 Opt-Out Attendance / 4.03 Participating Attendance)
- (i) Cinemark 4.03 Opt-Out Attendance = Cinemark Attendance during the applicable fiscal month at Theatres that did not display content pursuant to Section 4.03(viii) or (ix) of this Agreement or because of lack of equipment to display the Video Display Program
- (ii) 4.03 Participating Attendance = Sum of Regal Attendance, Cinemark Attendance and AMC Attendance at Theatres, Regal Theatres and AMC Theatres that displayed such content
- (c) Theatre Access Pool Percentage = Aggregate Theatre Access Pool / (Aggregate Advertising Revenue – Aggregate 4.03 Opt-In Revenue)
- (i) Aggregate Theatre Access Pool = Sum of Regal Theatre Access Pool + Cinemark Theatre Access Pool + AMC Theatre Access Pool
- (ii) Aggregate Advertising Revenue = LLC's revenue related to Advertising Services, except Event Sponsorships, revenue related to relationships with third parties that are not Founding Members and Advertising Services provided to Founding Members outside the provisions of this Agreement
- (iii) Aggregate 4.03 Opt-In Revenue = The aggregate of all 4.03 Revenue for each advertising campaign that any Founding Member opted not to display pursuant to Section 4.03(i), (iii), (iv), (v) or (vi).

Supplemental Theatre Access Fee = If Aggregate Theatre Access Fee < (12% \* Aggregate Advertising Revenue): ((12% \* Aggregate Advertising Revenue) – Aggregate Theatre Access Fee) \* Cinemark Attendance Ratio; where:

- (1) Aggregate Theatre Access Fee = Sum of Theatre Access Fee plus the comparable theatre access fee payments made to Cinemark and AMC for the same period
- (2) Cinemark Attendance Ratio = See Section B of this Schedule

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**D. Exclusivity Run-Out Payment**

Formula<sup>3</sup> for Quarterly Payments

Exclusivity Run-Out Payment = [\*\*\*]

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<sup>3</sup> The meaning of each term used in this Exclusivity Run-Out Payment formula is qualified by the definitions in Section A of this Schedule 1.

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**Schedules**

**2, 3, 4**

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**SCHEDULE 2**

**“ACE Solution” Architecture**

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**SCHEDULE 3**

**“Dual Interface” Architecture**

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**SCHEDULE 4**

**“Low Resolution Projection System”**

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**SCHEDULE A**

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**DCN Advertising  
Equipment List for Separate Systems**

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**DCN Advertising  
Equipment List for Dual Interface**

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**DCN Advertising  
Equipment List for Full Integration**

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**DBN Fathom**  
**Equipment List using LCD Projector**

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**DBN Fathom**  
**Equipment List using Digital Cinema Projector**

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**CINEMARK HOLDINGS, INC.**  
**CALCULATION OF RATIO OF EARNINGS TO FIXED CHARGES**

	Year Ended December 31,				
	2009	2010	2011	2012	2013
<b>Computation of Earnings:</b>					
Pretax income from continuing operations before equity income	\$ 146,508	\$ 210,939	\$ 199,981	\$ 283,709	\$ 241,182
<b>Add:</b>					
Fixed charges	173,739	188,432	205,167	207,107	215,489
Amortization of capitalized interest	496	496	496	496	496
Distributed income (loss) of equity investees	(907)	(3,438)	5,651	13,109	22,682
<b>Less:</b>					
Capitalized interest	—	—	—	—	—
<b>TOTAL EARNINGS</b>	<u>\$319,836</u>	<u>\$396,429</u>	<u>\$411,295</u>	<u>\$504,421</u>	<u>\$479,849</u>
<b>Computation of Fixed Charges:</b>					
Interest expense	\$ 97,730	\$ 107,728	\$ 118,358	\$ 118,873	\$ 119,238
Capitalized interest	—	—	—	—	—
Amortization of debt issue costs	4,775	4,716	4,744	4,792	5,476
Interest factor on rent expense	71,234	75,988	82,065	83,442	90,775
<b>TOTAL FIXED CHARGES</b>	<u>\$173,739</u>	<u>\$188,432</u>	<u>\$205,167</u>	<u>\$207,107</u>	<u>\$215,489</u>
<b>RATIO OF EARNINGS TO FIXED CHARGES (1)</b>	<u>1.84x</u>	<u>2.10x</u>	<u>2.00x</u>	<u>2.44x</u>	<u>2.23x</u>

- (1) For the purposes of calculating the ratio of earnings to fixed charges, earnings consist of income from continuing operations before taxes plus fixed charges excluding capitalized interest. Fixed charges consist of interest expense, capitalized interest, amortization of debt issue cost and that portion of rental expense which we believe to be representative of the interest factor.

## SUBSIDIARIES OF CINEMARK HOLDINGS, INC.

**United States**

Cinemark USA, Inc., a Texas corporation  
Cinemark, L.L.C., a Texas limited liability company  
Sunnymead Cinema Corp., a California corporation  
Cinemark Properties, Inc., a Texas corporation  
Greeley Holdings, Inc., a Texas corporation  
Greeley, Ltd., a Texas limited partnership  
Cinemark Concessions, L.L.C., a Florida limited liability company  
Cinemark International, L.L.C., a Texas limited liability company  
Cinemark Mexico (USA), Inc., a Delaware corporation  
Cinemark Partners I, Inc., a Texas corporation  
Cinemark Partners II, Ltd., a Texas limited partnership  
Cinemark Investments Corporation, a Delaware corporation  
CNMK Brazil Investments, Inc., a Delaware corporation  
CNMK Investments, Inc., a Delaware corporation  
CNMK Texas Properties, L.L.C., a Texas corporation  
Laredo Theatre, Ltd., a Texas limited partnership  
Brasil Holdings, L.L.C., a Delaware limited liability company  
Cinemark Media, Inc., a Delaware corporation  
Century Theatres, Inc., a California corporation  
Marin Theatre Management, L.L.C., a California limited liability company  
Century Theatres NG, L.L.C., a California limited liability company  
CineArts, L.L.C., a California limited liability company  
CineArts of Sacramento, L.L.C., a California limited liability company  
Corte Madera Theatres, L.L.C., a California limited liability company  
Novato Theatres, L.L.C., a California limited liability company  
San Rafael Theatres, L.L.C., a California limited liability company  
Northbay Theatres, L.L.C., a California limited liability company  
Century Theatres Summit Sierra, L.L.C., a California limited liability company  
Century Theatres Seattle, L.L.C., a California limited liability company

**ARGENTINA**

Cinemark Argentina, S.R.L., an Argentine limited liability company  
Prodecine S.R.L., an Argentine limited liability company  
Bulnes 2215, S.R.L., an Argentine limited liability company  
Cinemark Argentina Holdings, Inc., a Cayman corporation  
BOCA Holdings, Inc., a Cayman corporation  
Hoyts Cinema de Argentina S.A., an Argentine corporation

**BRAZIL**

Cinemark Brasil S.A., a Brazilian corporation  
Adamark S.A., a Brazilian corporation  
Flix Media Publicidade e Entretenimento Ltda., a Brazilian limited partnership

**SUBSIDIARIES OF CINEMARK HOLDINGS, INC.****CANADA**

Cinemark Theatres Canada, Inc., a New Brunswick corporation  
Century Theatres of Canada, ULC, a Canadian corporation

**CENTRAL AMERICA**

Cinemark Panama, S.A., a Panamanian joint stock company  
Cinemark Equity Holdings Corporation, a British Virgin Islands corporation  
Cinemark Costa Rica, S.R.L., a Costa Rican limited liability company  
Cinemark El Salvador, Ltda de C.V., an El Salvadorian limited liability company  
Cinemark Nicaragua y Cia, Ltda., a Nicaraguan limited liability company  
Cinemark Honduras S. de R.L., a Honduran limited liability company  
Cinemark Guatemala Ltda., a Guatemalan limited company

**CHILE**

Cinemark Chile S.A., a Chilean corporation  
Inversiones Cinemark, S.A., a Chilean corporation  
Worldwide Invest, Inc., a British Virgin Islands corporation

**COLOMBIA**

Cinemark Colombia S.A., a Colombian corporation

**ECUADOR**

Cinemark del Ecuador S.A., an Ecuadorian corporation

**MEXICO**

Cinemark Holdings Mexico S. de R.L. de C.V., a Mexican limited liability company  
Cinemark Plex, S. de R.L. de C.V., a Mexican limited liability company  
Cinemark Prop, S. de R.L. de C.V., a Mexican limited liability company  
Cinemark Mexico Servicios, S.C., a Mexican limited liability company

**PERU**

Cinemark del Peru S.R.L., a Peruvian limited liability company

**BOLIVIA**

Cinemark Bolivia, S.R.L., a Bolivian corporation

**PARAGUAY**

Cinemark Paraguay, S.R.L

**SPAIN**

Cinemark Holdings Spain, S.L., a Spanish limited liability company

**CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

We consent to the incorporation by reference in Registration Statement Nos. 333-146349 and 333-153273 on Form S-8 and 333-159012 on Form S-3 of our reports dated February 28, 2014, relating to the consolidated financial statements and financial statement schedule of Cinemark Holdings, Inc. and the effectiveness of Cinemark Holdings, Inc.'s internal control over financial reporting, appearing in this Annual Report on Form 10-K of Cinemark Holdings, Inc. for the year ended December 31, 2013.

/s/ Deloitte & Touche LLP

Dallas, Texas  
February 28, 2014

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

I, Tim Warner, certify that:

1. I have reviewed this annual report on Form 10-K of Cinemark Holdings, Inc.;
2. Based on my knowledge, this annual 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 annual report;
3. Based on my knowledge, the financial statements, and other financial information included in this annual 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 annual 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; and
  - 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: February 28, 2014

CINEMARK HOLDINGS, INC.

By: /s/ Tim Warner

Tim Warner  
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 annual report on Form 10-K of Cinemark Holdings, Inc.;
2. Based on my knowledge, this annual 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 annual report;
3. Based on my knowledge, the financial statements, and other financial information included in this annual 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 annual 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; and
  - 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
  - c) 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: February 28, 2014

CINEMARK HOLDINGS, INC.

By: /s/ Robert Copple

Robert Copple  
Chief Financial Officer

**CEO CERTIFICATION  
PURSUANT TO 18 U.S.C. SECTION 1350, AS ADDED BY  
SECTION 906 OF THE SARBANES - OXLEY ACT OF 2002**

This certification is provided pursuant to 18 U.S.C. Section 1350, as added by Section 906 of the Sarbanes-Oxley Act of 2002, and accompanies the annual report on Form 10-K (the "Form 10-K") for the year ended December 31, 2013 of Cinemark Holdings, Inc. (the "Issuer").

I, Tim Warner, the Chief Executive Officer of Issuer certify that to the best of my knowledge:

- (i) the Form 10-K 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-K fairly presents, in all material respects, the financial condition and results of operations of the Issuer.

Dated: February 28, 2014

/s/ Tim Warner

Tim Warner  
Chief Executive Officer

Subscribed and sworn to before me this 28th day of February 2014.

/s/ Jennifer Chreitzberg

Name: Jennifer Chreitzberg  
Title: Notary Public

My commission expires: 04/08/14

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 18 U.S.C. SECTION 1350, AS ADDED BY**  
**SECTION 906 OF THE SARBANES – OXLEY ACT OF 2002**

This certification is provided pursuant to 18 U.S.C. Section 1350, as added by Section 906 of the Sarbanes-Oxley Act of 2002, and accompanies the annual report on Form 10-K (the “Form 10-K”) for the year ended December 31, 2013 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-K 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-K fairly presents, in all material respects, the financial condition and results of operations of the Issuer.

Dated: February 28, 2014

/s/ Robert Copple

Robert Copple  
Chief Financial Officer

Subscribed and sworn to before me this 28th day of February 2014.

/s/ Jennifer Chreitzberg

Name: Jennifer Chreitzberg  
Title: Notary Public

My commission expires: 04/08/14

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.