

**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, 2012

Commission File Number 001-33401

CINEMARK HOLDINGS, INC.

(Exact Name of Registrant as Specified in its Charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

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

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

75093
(Zip Code)

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

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 29, 2012, computed by reference to the closing price for the registrant's common stock on the New York Stock Exchange on such date was \$2,397,026,127 (104,354,642 shares at a closing price per share of \$22.97).

As of February 21, 2013, 114,950,411 shares of common stock were outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

Certain portions of the registrant's definitive proxy statement, in connection with its 2013 annual meeting of stockholders, to be filed within 120 days of December 31, 2012, 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, 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, 2012.

PART I

Item 1. Business

Our Company

Cinemark Holdings, Inc. and subsidiaries, or the Company, is a leader in the motion picture exhibition industry, with theatres in the United States, or U.S., Brazil, Mexico, Argentina, Chile, Colombia, Peru, Ecuador, Honduras, El Salvador, Nicaragua, Costa Rica, Panama and Guatemala. We also managed additional theatres in the U.S., Brazil and Colombia during the year ended December 31, 2012.

As of December 31, 2012, we managed our business under two reportable operating segments: U.S. markets and international markets. See Note 23 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. 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 "Investor Relations – SEC Filings" as soon as practicable after such reports are filed or furnished electronically to the Securities and Exchange Commission.

Description of Business

We are one of the leaders in the motion picture exhibition industry. As of December 31, 2012, we operated 465 theatres and 5,240 screens in the U.S. and Latin America and approximately 263.7 million patrons attended our theatres worldwide during the year ended December 31, 2012. Our circuit is the third largest in the U.S. with 298 theatres and 3,916 screens in 39 states. We are the most geographically diverse circuit in Latin America with 167 theatres and 1,324 screens in 13 countries.

We selectively build or acquire new theatres in markets where we can establish and maintain a strong market position. We believe our portfolio of modern theatres provides a preferred destination for moviegoers and contributes to our 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 16 to 54 years and who have successfully navigated us through many industry and economic cycles.

Revenues, operating income and net income attributable to Cinemark Holdings, Inc. for the year ended December 31, 2012, were \$2,473.5 million, \$383.7 million and \$168.9 million, respectively. At December 31, 2012 we had cash and cash equivalents of \$742.7 million and long-term debt of \$1,764.0 million. Approximately \$250.0 million, or 14%, of our long-term debt accrues interest at variable rates and approximately \$9.5 million of our long-term debt matures in 2013.

Currently, 100% of our first-run domestic theatres are fully digital and we continue to convert our international theatres, which are approximately 42% digital. Digital projection technology gives us greater 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, which offers a premium experience auditorium concept utilizing large screens and the latest in digital projection and enhanced custom sound technologies. 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 intense sensory experience. We charge a premium price for the XD experience. The 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. We currently have 109 XD auditoriums in our circuit and have plans to install 40 to 50 more XD auditoriums during 2013.

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During 2010, we introduced our NextGen concept, which 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, which offers the wall-to-wall and ceiling-to-floor screen in a larger auditorium with enhanced custom sound and plush seating. Most of our future domestic theatres will incorporate this NextGen concept. As of December 31, 2012, 109 screens within nine theatres have the NextGen concept. Eight of these nine theatres also has an XD screen.

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 and in a range of up to 35 trillion colors. 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 and due to the format, enables us to more efficiently move titles between auditoriums within a theatre as demand increases or decreases for each title. In addition, the conversion to digital technology may reduce production and distribution costs as it will eliminate the need to produce and transport multiple film reels.

Digital projection also allows us to present 3-D content and alternative entertainment such as live and pre-recorded sports programs, concert events, the opera and other special presentations. Thirty-five films released during 2011 were available in 3-D format, 33 films were available in 3-D format during 2012 and at least 32 3-D films are currently expected to be released during 2013. Three-dimensional technology offers a premium experience with crisp, bright, ultra-realistic images that create an immersive film experience for the patron. A premium is charged for a 3-D presentation.

The motion picture exhibition industry is also developing a distribution network that would allow for distribution of all digital content to theatres via satellite. We are participating in a joint venture with certain exhibitors and distributors called Digital Cinema Distribution Coalition, or DCDC, whose goal is to establish this satellite distribution network.

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 CAGR of 2.3% from 2001 to 2011. 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. While 2012 industry statistics have not yet been published, industry sources estimate that 2012 U.S. box office revenues were approximately \$10.8 billion, an approximate 6% increase over 2011, and an all-time industry record.

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The following table represents the results of a survey by Motion Picture Association of America, or MPAA, published during March 2012, outlining the historical trends in U.S. box office performance for the ten year period from 2002 to 2011:

<u>Year</u>	<u>U.S. Box Office Revenues (\$ in billions)</u>	<u>Attendance (in billions)</u>	<u>Average Ticket Price</u>
2002	\$ 9.1	1.57	\$5.81
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

Films leading the box office during the year ended December 31, 2012 included *The Avengers*, *The Dark Knight Rises*, *The Hunger Games*, *Skyfall*, *The Twilight Saga: Breaking Dawn Part 2*, *The Hobbit: An Unexpected Journey*, *Dr. Suess' The Lorax*, *Madagascar 3: Europe's Most Wanted*, *Men in Black 3*, *Taken 2*, *Snow White and the Huntsman*, *Safe House*, *The Vow*, *Brave*, *Prometheus*, *The Amazing Spider-Man*, *Ice Age: Continental Drift* and *The Bourne Legacy*, among other films.

The film slate for 2013 currently includes sequels such as *The Hunger Games: Catching Fire*, *The Hobbit: The Desolation of Smaug*, *Iron Man 3*, *The Hangover 3*, *Monsters University*, *Despicable Me 2*, *Fast & Furious 6* and *A Good Day to Die Hard* and original titles such as *Man of Steel*, *Oz: The Great and Powerful*, *Oblivion*, *Pacific Rim*, *Lone Ranger* and *World War Z*, among other films.

International Markets

International box office revenues continue to grow. According to MPAA, international box office revenues were \$22.4 billion for the year ended December 31, 2011, which is a result of strong economies, ticket price increases and new theatre construction. According to MPAA, Latin American box office revenues were \$2.6 billion for the year ended December 31, 2011, representing a 24% increase from 2010. (As of the date of this report, 2012 industry data was not yet available.)

Growth in Latin America is expected to continue 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, Mexico, Colombia and Chile, successful local film product can also provide incremental box office growth opportunities.

We believe many international markets for theatrical exhibition have historically been underserved and that certain of these markets, especially those in Latin America, will continue to experience growth as additional modern stadium-styled theatres are introduced, 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 is the primary distribution channel for new motion picture releases. A successful theatrical release

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which “brands” a film is one of the major factors in determining 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 \$22.4 billion, or approximately 69% of 2011 total worldwide box office revenues according to MPAA. (As of the date of this report, 2012 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 *The Avengers*, which grossed approximately \$892.3 million in international markets, or 59% of its worldwide box office, *Ice Age: Continental Drift*, which grossed approximately \$716.1 million in international markets, or 82% of its worldwide box office, and *Skyfall*, which grossed approximately \$710.6 million in international markets, or 71% 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 digital projection technology, the products offered by motion picture exhibitors continue to expand, attracting a broader base of patrons.

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 \$7.93 in 2011. Average prices in 2011 for other forms of out-of-home entertainment in the U.S., including sporting events and theme parks, range from approximately \$27.00 to \$77.00 per ticket according to MPAA. (As of the date of this report, 2012 industry data was not yet available.)

Innovation with Digital Technology. Our industry began its conversion to digital projection technology during 2009, which has allowed exhibitors to expand their product offerings. Digital projection allows the presentation of 3-D content and alternative entertainment such as live and pre-recorded sports programs, concert events, the opera and other special presentations. These additional 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:

Disciplined Operating Philosophy. We generated operating income and net income attributable to Cinemark Holdings, Inc. of \$383.7 million and \$168.9 million, respectively, for the year ended December 31, 2012. Our solid operating performance is a result of our disciplined operating philosophy that centers on building high quality assets, 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, 2012, we ranked either first or second based on box office revenues in 24 out of our top 30 U.S. markets, including the San Francisco Bay Area, Dallas, Houston, Salt Lake City and Sacramento.

Strategically Located in Heavily Populated Latin American Markets. Since 1993, we have invested throughout Latin America in response to the continued growth of the region. We currently operate 167 theatres and 1,324 screens in 13 countries. Our international screens generated revenues of \$777.7 million, or 31.4% of our total revenues, for the year ended December 31, 2012. We have successfully established a significant presence in major cities in the region, with theatres in fourteen of the fifteen largest metropolitan areas. We are the largest exhibitor in Brazil and Argentina. Our geographic diversity makes us an important distribution

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channel to the movie studios. Approximately 87% of our international screens offer stadium seating. We are well-positioned with our modern, large-format theatres to take advantage of these factors for further growth and diversification of our revenues.

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 2012, we increased the size of our circuit by adding 129 new state-of-the-art screens worldwide, while closing 41 screens. We currently have commitments to open 287 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 42% of our international auditoriums, with plans to install digital projection technology in 100% of our international auditoriums. Currently, approximately 51% of our U.S. screens and 40% of our international screens are 3-D compatible. We also have eight digital IMAX screens. We currently have 109 XD auditoriums in our theatres and have plans to install 40 to 50 additional XD auditoriums during 2013. Our new NextGen theatre concept provides further credence to our commitment to provide a continuing state-of-the-art movie-viewing experience to our patrons.

Solid Balance Sheet with Significant Cash Flow from Operating Activities. We generate significant cash flow from operating activities as a result of several factors, including a geographically diverse and modern theatre circuit and management's ability to control costs and effectively react to economic and market changes. Additionally, owning land and buildings for 41 of our theatres is a strategic advantage that enhances our cash flows. We believe our expected level of cash flow generation will provide us with the financial flexibility to continue to pursue growth opportunities, support our debt payments and continue to make dividend payments to our stockholders. In addition, as of December 31, 2012, we owned approximately 18.1 million shares of National CineMedia and approximately 1.2 million shares of RealD, both of which offer us an additional source of cash flows. As of December 31, 2012, we had cash and cash equivalents of \$742.7 million.

Experienced Management. Led by Chairman and founder Lee Roy Mitchell, Chief Executive Officer and President, Tim Warner, Chief Financial Officer Robert Copple and President-International Valmir Fernandes, our management team has many years of theatre operating experience, ranging from 16 to 54 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.

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:

Establish and Maintain Leading Market Positions. We will continue to seek growth opportunities by building or acquiring modern theatres that meet our strategic, financial and demographic criteria. We focus on establishing and maintaining a leading position in the markets we currently serve. We also monitor economic and market trends to ensure we offer a broad range of products and prices that satisfy our patrons.

Continue to Focus on Operational Excellence. We will continue to focus on achieving operational excellence by controlling theatre operating costs and adequately training our staff while continuing to provide leading customer service. Our margins reflect our track record of operating efficiency.

Selectively Build in Profitable, Strategic Latin American Markets. Our continued international expansion will remain focused primarily on Latin America through construction of modern, state-of-the-art theatres in growing urban markets. We have commitments to build 13 new theatres with 88 screens during 2013 and three new theatres with 21 screens subsequent to 2013, investing an additional \$89 million in our Latin American markets. We also plan to install digital projection technology in all of our international auditoriums, which allows us to present 3-D and alternative content in these markets. Approximately 40% of our international auditoriums

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are 3-D compatible. We have also installed 39 of our proprietary XD auditoriums in our international theatres and have plans to install approximately 20 to 25 additional XD auditoriums internationally during 2013.

Commitment to Digital Innovation. Our commitment to technological innovation has resulted in us being 100% digital in our U.S. first-run auditoriums as of December 31, 2012, approximately 49% of which are 3-D compatible. We also had 553 digital auditoriums in our international markets as of December 31, 2012, 527 of which are 3-D compatible. See further discussion of our digital expansion at “Conversion to Digital Projection Technology”. We are planning to convert 100% of our worldwide circuit to digital projection technology, approximately 40-50% of which will be 3-D compatible. We also plan to expand our XD auditorium footprint in various markets throughout the U.S. and in select international markets, which offers our patrons a premium movie-viewing experience.

[Table of Contents](#)**Theatre Operations**

As of December 31, 2012, we operated 465 theatres and 5,240 screens in 39 states and 13 Latin American countries. Our theatres in the U.S. are primarily located in mid-sized U.S. markets, including suburbs of major metropolitan areas. We believe these markets are generally less competitive and generate high, stable margins. Our theatres in Latin America are primarily located in major metropolitan markets, which we believe are generally underscreened. The following tables summarize the geographic locations of our theatre circuit as of December 31, 2012.

United States Theatres

<u>State</u>	<u>Total Theatres</u>	<u>Total Screens</u>
Texas	80	1,051
California	63	770
Ohio	19	213
Utah	16	203
Nevada	10	154
Illinois	9	128
Colorado	8	127
Oregon	7	102
Kentucky	7	87
Pennsylvania	6	95
Arizona	6	90
Oklahoma	6	71
Florida	5	98
Louisiana	5	74
Indiana	5	48
New Mexico	4	54
Virginia	4	54
North Carolina	4	41
Mississippi	3	41
Iowa	3	37
Arkansas	3	36
South Carolina	3	34
Washington	2	30
Georgia	2	27
New York	2	27
South Dakota	2	26
West Virginia	2	22
Maryland	1	24
Kansas	1	20
Alaska	1	16
Michigan	1	16
New Jersey	1	16
Missouri	1	15
Massachusetts	1	15
Tennessee	1	14
Wisconsin	1	14
Delaware	1	10
Minnesota	1	8
Montana	1	8
Total	<u>298</u>	<u>3,916</u>

International Theatres

<u>Country</u>	<u>Total Theatres</u>	<u>Total Screens</u>
Brazil	56	454
Mexico	31	290
Argentina	20	176
Colombia	18	99
Central America ⁽¹⁾	14	96
Chile	13	101
Peru	10	76
Ecuador	5	32
Total	167	1,324

⁽¹⁾ 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 and Mexico in 1994. 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 fourteen of the fifteen largest metropolitan areas in Latin America. In addition, we have achieved significant scale in Brazil, where we are the largest exhibitor, with 454 screens as of December 31, 2012. We are also the largest exhibitor in Argentina.

We believe that certain markets within Latin America continue to be underserved as penetration of movie screens per capita in Latin American markets is substantially lower than in the U.S. and European markets. We intend to build and expand our presence in underserved international markets, with emphasis on Latin America, and fund our expansion primarily with cash flow generated in those markets. We are able to mitigate cash flow exposure to currency fluctuations by using local currencies to collect a majority of our revenues and fund a majority of the costs of our international operations. 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 \$777.7 million during 2012 compared to \$696.1 million during 2011.

Film Licensing

In the domestic marketplace, the Company's 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, the related marketing campaigns and the expenditures related to marketing materials, television spots and other advertising outlets. The marketing campaign of each movie may include tours of the actors in the movies and coordination of articles and features about each movie. The Company is responsible for booking the films in negotiated film zones, which are either free zones or competitive zones. In free zones, movies can be booked without regard to the location of another exhibitor within that area. In competitive zones, the distributor allocates its movies generally based on demographics, the conditions, capacity and grossing potential of each theatre, and licensing terms. We are the sole exhibitor in approximately 91% of the 253 film zones in which our first run U.S. theatres operate. In film zones where there is no direct competition from other theatres, we select those films 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 modern facility with the most up-to-date sound systems, comfortable stadium style seating and other amenities typical of modern American-style multiplexes, which we believe gives us a competitive advantage in markets where competing theatres play the same films. Of the 1,324 screens we operate in international markets, approximately 80% 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 specified 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. High profile film festivals, such as the Sundance Film Festival, have contributed to interest in this genre. The performance of films such as *Silver Linings Playbook*, *The Best Exotic Marigold Hotel* and *Moonrise Kingdom* have demonstrated the box office potential of art and independent films.

Food and Beverage

Concession sales are our second largest revenue source, representing approximately 31% 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. These efforts include implementation of the following strategies:

- *Optimization of product mix.* We offer concession products that primarily include various sizes and types of popcorn, soft drinks, coffees, juices, candy and quickly-prepared food, such as hot dogs, nachos and ice cream. Different varieties and flavors of candy and drinks are offered at theatres based on preferences in that particular market. Our 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. Specially priced combos and promotions are introduced on a regular basis to increase average concession purchases as well as to attract new buyers. We periodically offer our loyal patrons opportunities to receive a discount on certain products by offering 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. Concession designs in many of our new domestic theatres have incorporated the self-service model.
- *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, who 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.

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's primary activities that impact our theatres include: advertising through its

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branded “*First Look*” pre-feature entertainment program, lobby promotions and displays, live and pre-recorded events; including concerts, sporting events and other non-film entertainment programming. 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, 2012, we had an approximate 16% ownership interest in NCM. See Note 6 to the consolidated financial statements.

In certain of our 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. During 2011, we took the screen advertising function in-house in Brazil, which is being handled by a wholly-owned subsidiary Flix Media Publicidade E Entretenimento, Ltda., or Flix Media. Our Flix Media marketing personnel work directly with local advertisers to generate screen advertising.

Conversion to Digital Projection Technology

The motion picture exhibition industry began its conversion to digital projection technology during 2009, the progress of which is discussed below.

Participation in Digital Cinema Implementation Partners

During 2007, we, 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. Upon signing these agreements, we contributed cash and the majority of our existing U.S. digital projection systems to DCIP. Subsequently during 2010 and 2011, we sold additional U.S. digital projection systems to DCIP. As of December 31, 2011, we had a 33% voting interest in DCIP and a 24.3% economic interest in DCIP. As of December 31, 2012, 95% of our 3,916 U.S. auditoriums were digital, 3,515 of which are leased from Kasima and 1,923 of which are capable of exhibiting 3-D content.

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. As of December 31, 2012, we had 553 digital auditoriums in our international markets, 527 of which are capable of exhibiting 3-D content. Similar to our domestic markets, we expect to install digital projection systems in all of our international auditoriums.

Digital Cinema Distribution Coalition

We are participating in a joint venture with Regal, AMC and certain distributors called Digital Cinema Distribution Coalition, or DCDC, whose goal is to seamlessly distribute all digital content to theatres via satellite.

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Certain of the related agreements are in negotiation, however, we are currently testing equipment to be used for satellite distribution. The new distribution network will not only change how content is delivered to theatre sites but also enrich alternative product availability, such as live sports, concerts, and opera.

Marketing

In the U.S., we rely on Internet advertising and also newspaper directory film schedules. 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 at home and purchase gift cards at our website www.cinemark.com. Customers subscribing to our weekly email 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 exclusive 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 one of our theatres. We also have smart phone and tablet applications that allow patrons to find theatres, check showtimes and purchase tickets.

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, the Company has introduced an iPhone application in Brazil. The application allows consumers to check showtimes and purchase tickets for our Brazil theatres.

Our domestic and international marketing departments also focus on maximizing 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.

We recently created a new offering to our patrons called CineMode. CineMode is an exclusive feature we offer with our smart phone and tablet applications 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 two million patrons have already downloaded CineMode.

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

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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.

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 domestic competitors include Regal, AMC and Carmike Cinemas, Inc. and our primary international competitors, which vary by country, include Cinépolis, Cinemex and National Amusements.

We are the sole exhibitor in approximately 91% of the 253 film zones in which our first run U.S. theatres operate. In film zones where there is no direct competition from other theatres, we select those films that we believe will be the most successful from those offered to us 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 licensing terms. Of the 1,324 screens we operate outside of the U.S., approximately 80% 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 mid-August, and during the holiday season, extending from early November through

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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 corporate headquarters is located in Plano, Texas. Personnel at our corporate headquarters provide oversight for our domestic and international theatres. Personnel at our corporate 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 and accounting, audit and information systems support. Our U.S. operations are divided into sixteen regions, primarily organized geographically, each of which is headed by a region leader. We have eight regional offices in Latin America responsible for the local management of theatres in thirteen individual 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 includes personnel in film licensing, marketing, human resources, information systems, operations and accounting. We have a chief financial officer in Brazil, Mexico and Argentina, which are our three largest international markets. The regional offices are staffed with experienced personnel from the region to mitigate cultural and operational barriers.

Employees

We have approximately 13,500 employees in the U.S., approximately 10% of whom are full time employees and 90% of whom are part time employees. We have approximately 9,000 employees in our international markets, approximately 58% of whom are full time employees and approximately 42% 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, Mexico, Argentina, Chile, Colombia, Peru, Ecuador, Honduras, El Salvador, Nicaragua, Costa Rica, Panama and Guatemala, which are reflected in the consolidated financial statements. See Note 23 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 85% of U.S. box office revenues and 47 of the top 50 grossing films during 2012. Numerous antitrust cases and consent decrees resulting from these antitrust cases impact the distribution of films. The consent decrees bind certain major film distributors to license films to exhibitors on a theatre-by-theatre and film-by-film basis. Consequently, we cannot guarantee a supply of films by entering into long-term arrangements with major distributors. We are therefore required to negotiate licenses for each film and for each theatre. A deterioration in our relationship with any of the seven major film distributors could adversely affect our ability to obtain commercially successful films and to negotiate favorable licensing terms for such films, both of which could adversely affect our business and operating results.

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 film 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 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 167 theatres with 1,324 screens in thirteen countries in Latin America. Brazil represented approximately 13.3% of our consolidated 2012 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, 2012, we had \$1,764.0 million in long-term debt obligations, \$150.2 million in capital lease obligations and \$1,889.2 million in long-term operating lease obligations. We incurred interest expense of \$123.7 million for the year ended December 31, 2012. We incurred \$281.6 million of facility lease expense under operating leases for the year ended December 31, 2012 (the terms under these operating leases, excluding optional renewal periods, range from one to 25 years). Our substantial lease and debt obligations pose risk to you by:

- making it more difficult for us to satisfy our obligations;
- requiring us to dedicate a substantial portion of our cash 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;

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- 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, 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, a provider of digital advertising content and digital non-film event content. As of December 31, 2012, we had an ownership interest in NCM of approximately 16%. 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, 2011 and 2012, the Company received approximately \$5.9 million and \$7.1 million in other revenues from NCM, respectively, and \$24.2 million and \$20.8 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. NCM also competes with other cinema advertising companies and with hotels, conference centers, arenas, restaurants and convention facilities for its non-film related events to be shown or held in our auditoriums. 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.

We are subject to uncertainties related to digital cinema, including insufficient financing to obtain digital projectors and insufficient supply of digital projectors for our international locations.

We began a roll-out of digital projection equipment in our international theatres during 2009 which has been funded by operating cash flows. There is no local financing available to finance the deployment of digital

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projectors for our international theatres on commercially reasonable terms. Accordingly, the cost of digital projection systems and manufacturer limitations may delay our international deployment.

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 convert our theatres to digital projection technology, 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.

If we do not comply with the Americans with Disabilities Act of 1990 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. Fair value is determined based on a multiple of cash flows, which was six and a half times for the evaluations performed during 2010, 2011 and 2012. 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, or FASB, Accounting Standards Codification, or ASC, Topic 820-10-35, are based on historical and projected operating performance, recent market transactions and current industry trading multiples. 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 determined based on a multiple of cash flows, which was six and a half times for the evaluation performed during 2010 and seven and a half times for the evaluations performed during 2011 and 2012. 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. 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, 2012, the estimated fair value of goodwill for all of our reporting units exceeded their carrying values by at least 10%.

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, 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, 2012, the estimated fair value of our tradename intangible assets exceeded their carrying values by at least 10%.

We recorded asset impairment charges of \$12.5 million, \$7.0 million and \$3.0 million for the years ended December 31, 2010, 2011 and 2012, 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 10 and 11 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 United States 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 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 13 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.

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Certain provisions of our 8.625% 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 8.625% 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 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, 2012, we had an aggregate of 173,074,817 shares of our Common Stock authorized but unissued and not reserved for specific purposes. In general, we may issue all of these shares without any action or approval by our stockholders. We may issue shares of our Common Stock in connection with acquisitions.

As of December 31, 2012, we had 114,949,667 shares of our Common Stock outstanding. Of these shares, approximately 103,023,739 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, 2012, there were 8,422,431 shares of our Common Stock reserved for issuance under our Amended and Restated 2006 Long Term Incentive Plan, of which 22,022 shares of Common Stock were issuable upon exercise of options outstanding as of December 31, 2012. 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.

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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 United States 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, 2012, in the U.S., we operated 257 theatres with 3,329 screens pursuant to leases and own the land and building for 41 theatres with 587 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, 2012, approximately 10% of our theatre leases in the U.S., covering 25 theatres with 189 screens, have remaining terms, including optional renewal periods, of less than six years. Approximately 10% of our theatre leases in the U.S., covering 27 theatres with 228 screens, have remaining terms, including optional renewal periods, of between six and 15 years and approximately 80% of our theatre leases in the U.S., covering 205 theatres with 2,912 screens, have remaining terms, including optional renewal periods, of more than 15 years. The leases generally provide for a fixed monthly minimum rent payment, with certain leases also subject to additional percentage rent if a target annual revenue level is achieved. We lease an office building in Plano, Texas for our corporate headquarters. We also lease office space in Frisco, Texas for our theatre support group.

International

As of December 31, 2012, internationally, we operated 167 theatres with 1,324 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 40 years. The leases generally provide for contingent rental based upon operating results with an annual minimum. As of December 31, 2012, approximately 6% of our international theatre leases, covering 10 theatres with 87 screens, have remaining terms, including optional renewal periods, of less than six years. Approximately 41% of our international theatre leases, covering 69 theatres and 560 screens, have remaining terms, including optional renewal periods, of between six and 15 years and approximately 53% of our international theatre leases, covering 88 theatres and 677 screens, have remaining terms, including optional renewal periods, of more than 15 years. We also lease office space in eight regions in Latin America for our local management.

See Note 23 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

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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.

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.

	2011		2012	
	High	Low	High	Low
First Quarter (January 1 – March 31)	\$20.56	\$ 16.70	\$22.85	\$ 17.93
Second Quarter (April 1 – June 30)	\$ 22.09	\$ 18.65	\$ 24.45	\$ 20.99
Third Quarter (July 1 – September 30)	\$21.25	\$ 17.10	\$ 24.47	\$ 22.34
Fourth Quarter (October 1 – December 31)	\$ 21.00	\$ 17.78	\$ 27.50	\$ 22.18

Holders of Common Stock

As of December 31, 2012, there were 147 holders of record of the Company’s common stock and there were no other classes of stock issued and outstanding.

Dividend Policy

In August 2007, we initiated a quarterly dividend policy, which was amended in November 2010. Below is a summary of dividends declared for the fiscal periods indicated:

Date Declared	Date of Record	Date Paid	Amount per Common Share ⁽¹⁾	Total Dividends (in millions)
02/24/11	03/04/11	03/16/11	\$0.21	\$24.0
05/12/11	06/06/11	06/17/11	\$0.21	24.1
08/04/11	08/17/11	09/01/11	\$0.21	24.2
11/03/11	11/18/11	12/07/11	\$0.21	24.2
Total – Year ended December 31, 2011 ⁽²⁾				\$96.5
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 ⁽²⁾				\$97.3

⁽¹⁾ Beginning with the dividend declared on November 2, 2010, our board of directors raised the quarterly dividend from \$0.18 to \$0.21 per common share.

⁽²⁾ 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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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 23, 2013 and to be filed with the SEC within 120 days after December 31, 2012.

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, 2012. 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,				
	2008	2009	2010	2011	2012
	(Dollars in thousands, except per share data)				
Statement of Operations Data:					
Revenues:					
Admissions	\$ 1,126,977	\$ 1,293,378	\$ 1,405,389	\$ 1,471,627	\$ 1,580,401
Concession	534,836	602,880	642,326	696,754	771,405
Other	80,474	80,242	93,429	111,232	121,725
Total revenues	<u>\$ 1,742,287</u>	<u>\$ 1,976,500</u>	<u>\$ 2,141,144</u>	<u>\$ 2,279,613</u>	<u>\$ 2,473,531</u>
Film rentals and advertising	612,248	708,160	769,698	798,606	845,107
Concession supplies	86,618	91,918	97,484	112,122	123,471
Salaries and wages	180,950	203,437	221,246	226,475	247,468
Facility lease expense	225,595	238,779	255,717	276,278	281,615
Utilities and other	205,814	222,660	239,470	259,703	280,670
General and administrative expenses	90,788	96,497	109,045	127,621	148,624
Total depreciation and amortization	158,034	149,515	143,508	154,449	147,675
Impairment of long-lived assets	113,532	11,858	12,538	7,033	3,031
(Gain) loss on sale of assets and other	8,488	3,202	(431)	8,792	12,168
Total cost of operations	<u>1,682,067</u>	<u>1,726,026</u>	<u>1,848,275</u>	<u>1,971,079</u>	<u>\$ 2,089,829</u>
Operating income	<u>\$ 60,220</u>	<u>\$ 250,474</u>	<u>\$ 292,869</u>	<u>\$ 308,534</u>	<u>\$ 383,702</u>
Interest expense	<u>\$ 116,058</u>	<u>\$ 102,505</u>	<u>\$ 112,444</u>	<u>\$ 123,102</u>	<u>\$ 123,665</u>
Net income (loss)	<u>\$ (44,430)</u>	<u>\$ 100,756</u>	<u>\$ 149,663</u>	<u>\$ 132,582</u>	<u>\$ 171,420</u>
Net income (loss) attributable to Cinemark Holdings, Inc.	<u>\$ (48,325)</u>	<u>\$ 97,108</u>	<u>\$ 146,120</u>	<u>\$ 130,557</u>	<u>\$ 168,949</u>
Net income (loss) attributable to Cinemark Holdings, Inc. per share:					
Basic	<u>\$ (0.45)</u>	<u>\$ 0.89</u>	<u>\$ 1.30</u>	<u>\$ 1.15</u>	<u>\$ 1.47</u>
Diluted	<u>\$ (0.45)</u>	<u>\$ 0.87</u>	<u>\$ 1.29</u>	<u>\$ 1.14</u>	<u>\$ 1.47</u>
Dividends declared per common share	<u>\$ 0.72</u>	<u>\$ 0.72</u>	<u>\$ 0.75</u>	<u>\$ 0.84</u>	<u>\$ 0.84</u>

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	Year Ended December 31,				
	2008	2009	2010	2011	2012
Other Financial Data:					
Ratio of earnings to fixed charges ⁽¹⁾	—	1.84x	2.10x	2.00x	2.44x
Cash flow provided by (used for):					
Operating activities	\$ 257,294	\$ 176,763	\$ 264,751	\$ 391,201	\$ 395,205
Investing activities	(94,942)	(183,130)	(136,067)	(247,067)	(234,311)
Financing activities	(135,091)	78,299	(106,650)	(78,414)	63,424
Capital expenditures	(106,109)	(124,797)	(156,102)	(184,819)	(220,727)

	As of December 31,				
	2008	2009	2010	2011	2012
	(Dollars in thousands)				
Balance Sheet Data:					
Cash and cash equivalents	\$ 349,603	\$ 437,936	\$ 464,997	\$ 521,408	\$ 742,664
Theatre properties and equipment, net	1,208,283	1,219,588	1,215,446	1,238,850	1,304,958
Total assets	3,065,708	3,276,448	3,421,478	3,522,408	3,863,226
Total long-term debt and capital lease obligations, including current portion	1,632,174	1,684,073	1,672,601	1,713,393	1,914,181
Equity	824,227	914,628	1,033,152	1,023,639	1,094,984

	Year Ended December 31,				
	2008	2009	2010	2011	2012
Operating Data:					
United States ⁽²⁾					
Theatres operated (at period end)	293	294	293	297	298
Screens operated (at period end)	3,742	3,830	3,832	3,878	3,916
Total attendance (in 000s)	147,897	165,112	161,174	158,486	163,639
International ⁽³⁾					
Theatres operated (at period end)	127	130	137	159	167
Screens operated (at period end)	1,041	1,066	1,113	1,274	1,324
Total attendance (in 000s)	63,413	71,622	80,026	88,889	100,084
Worldwide ⁽²⁾⁽³⁾					
Theatres operated (at period end)	420	424	430	456	465
Screens operated (at period end)	4,783	4,896	4,945	5,152	5,240
Total attendance (in 000s)	211,310	236,734	241,200	247,375	263,723

⁽¹⁾ For the purposes of calculating the ratio of earnings to fixed charges, earnings consist of income (loss) 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. For the year ended December 31, 2008, earnings were insufficient to cover fixed charges by \$27.1 million.

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

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

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, Mexico, Argentina, Chile, Colombia, Ecuador, Peru, Honduras, El Salvador, Nicaragua, Costa Rica, Panama and Guatemala. As of December 31, 2012, we managed our business under two reportable operating segments — U.S. markets and international markets. See Note 23 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, third party branding, and the use of our domestic theatres for alternative entertainment, such as live and pre-recorded sports programs, concert events, the opera and other special presentations. Films leading the box office during the year ended December 31, 2012 included *The Avengers*, *The Dark Knight Rises*, *The Hunger Games*, *Skyfall*, *The Twilight Saga: Breaking Dawn Part 2*, *The Hobbit: An Unexpected Journey*, *Dr. Suess' The Lorax*, *Madagascar 3: Europe's Most Wanted*, *Men in Black 3*, *Taken 2*, *Snow White and the Huntsman*, *Safe House*, *The Vow*, *Brave*, *Prometheus*, *The Amazing Spider-Man*, *Ice Age: Continental Drift* and *The Bourne Legacy*, 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. Films currently scheduled for release in 2013 include sequels such as *The Hunger Games: Catching Fire*, *The Hobbit: The Desolation of Smaug*, *Iron Man 3*, *The Hangover 3*, *Monsters University*, *Despicable Me 2*, *Fast & Furious 6* and *A Good Day to Die Hard* and original titles such as *Man of Steel*, *Oz: The Great and Powerful*, *Oblivion*, *Pacific Rim*, *Lone Ranger* and *World War Z*, 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.

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.

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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 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 specified percentage of box office receipts, which reflects either a mutually agreed upon aggregate rate for the life of the film or rates that decline over the term of the run. 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.

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.

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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;
- 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. 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 2010, 2011 and 2012. 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 sixteen regions in the U.S. and each of our eight 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 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 six and a half times for the evaluation performed during 2010 and seven and a half times for the evaluations performed during 2011 and 2012. As of December 31, 2012, the estimated fair value of goodwill for all of our reporting units exceeded their carrying value by at least 10%.

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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, 2012, 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 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.

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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 (loss) 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 12, 2013, our board of directors declared a cash dividend for the fourth quarter of 2012 of \$0.21 per common share payable to stockholders of record on March 4, 2013. The dividend will be paid on March 15, 2013.

Disposition of Mexican Subsidiaries

During February 2013, we entered into a stock purchase agreement with Grupo Cinemex, S.A. De C.V. pursuant to which we will sell our Mexican subsidiaries, which consist of 31 theatres and 290 screens. The sales price, which will be paid in Mexican pesos and is subject to certain closing date adjustments, will be approximately \$125.0 million, based on the exchange rate on the date of this report. The transaction, which is subject to review by the Mexican Federal Competition Commission, is expected to close during the second half of 2013.

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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. On August 25, 2011, we purchased ten theatres with 95 screens in Argentina. The results of operations for these theatres are included in our results beginning on the date of acquisition.

	Year Ended December 31,		
	2010	2011	2012
Operating data (in millions):			
Revenues			
Admissions	\$ 1,405.4	\$ 1,471.6	\$ 1,580.4
Concession	642.3	696.8	771.4
Other	93.4	111.2	121.7
Total revenues	2,141.1	2,279.6	2,473.5
Cost of operations			
Film rentals and advertising	769.7	798.6	845.1
Concession supplies	97.5	112.1	123.5
Salaries and wages	221.2	226.5	247.4
Facility lease expense	255.7	276.3	281.6
Utilities and other	239.5	259.7	280.7
General and administrative expenses	109.1	127.6	148.6
Depreciation and amortization	143.5	154.4	147.7
Impairment of long-lived assets	12.5	7.0	3.0
(Gain) loss on sale of assets and other	(0.4)	8.8	12.2
Total cost of operations	1,848.3	1,971.0	2,089.8
Operating income	\$ 292.8	\$ 308.6	\$ 383.7
Operating data as a percentage of total revenues:			
Revenues			
Admissions	65.6%	64.6%	63.9%
Concession	30.0%	30.6%	31.2%
Other	4.4%	4.8%	4.9%
Total revenues	100.0%	100.0%	100.0%
Cost of operations ⁽¹⁾			
Film rentals and advertising	54.8%	54.3%	53.5%
Concession supplies	15.2%	16.1%	16.0%
Salaries and wages	10.3%	9.9%	10.0%
Facility lease expense	11.9%	12.1%	11.4%
Utilities and other	11.2%	11.4%	11.3%
General and administrative expenses	5.1%	5.6%	6.0%
Depreciation and amortization	6.7%	6.8%	6.0%
Impairment of long-lived assets	0.6%	0.3%	0.1%
(Gain) loss on sale of assets and other	(0.0%)	0.4%	0.5%
Total cost of operations	86.3%	86.5%	84.5%
Operating income	13.7%	13.5%	15.5%
Average screen count (month end average)	4,909	5,021	5,198
Revenues per average screen (dollars)	\$436,181	\$454,051	\$475,897

⁽¹⁾ 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, 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 ⁽¹⁾	\$ 1,099.6	\$ 1,033.6	6.4%	\$ 480.8	\$ 438.0	9.8%	\$ 1,580.4	\$ 1,471.6	7.4%
Concession revenues ⁽¹⁾	\$ 546.2	\$ 503.4	8.5%	\$ 225.2	\$ 193.4	16.4%	\$ 771.4	\$ 696.8	10.7%
Other revenues ⁽¹⁾⁽²⁾	\$ 50.1	\$ 46.5	7.7%	\$ 71.6	\$ 64.7	10.7%	\$ 121.7	\$ 111.2	9.4%
Total revenues ⁽¹⁾⁽²⁾	\$ 1,695.9	\$ 1,583.5	7.1%	\$ 777.6	\$ 696.1	11.7%	\$ 2,473.5	\$ 2,279.6	8.5%
Attendance ⁽¹⁾	163.6	158.5	3.2%	100.1	88.9	12.6%	263.7	247.4	6.6%

⁽¹⁾ Amounts in millions.

⁽²⁾ U.S. operating segment revenues include eliminations of intercompany transactions with the international operating segment. See Note 23 of our consolidated financial statements.

- *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

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- 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 concessions 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.

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 10 and 11 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

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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 13 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 13 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.

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 21 to our consolidated financial statements.

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Comparison of Years Ended December 31, 2011 and December 31, 2010

Revenues. Total revenues increased \$138.5 million to \$2,279.6 million for 2011 from \$2,141.1 million for 2010, representing a 6.5% 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,		
	2011	2010	% Change	2011	2010	% Change	2011	2010	% Change
Admissions revenues ⁽¹⁾	\$ 1,033.6	\$ 1,044.7	(1.1)%	\$ 438.0	\$ 360.7	21.4%	\$ 1,471.6	\$ 1,405.4	4.7%
Concession revenues ⁽¹⁾	\$ 503.4	\$ 487.9	3.2%	\$ 193.4	\$ 154.4	25.3%	\$ 696.8	\$ 642.3	8.5%
Other revenues ⁽¹⁾⁽²⁾	\$ 46.5	\$ 44.3	5.0%	\$ 64.7	\$ 49.1	31.8%	\$ 111.2	\$ 93.4	19.1%
Total revenues ⁽¹⁾⁽²⁾	\$ 1,583.5	\$ 1,576.9	0.4%	\$ 696.1	\$ 564.2	23.4%	\$ 2,279.6	\$ 2,141.1	6.5%
Attendance ⁽¹⁾	158.5	161.2	(1.7)%	88.9	80.0	11.1%	247.4	241.2	2.6%

⁽¹⁾ Amounts in millions.

⁽²⁾ U.S. operating segment revenues include eliminations of intercompany transactions with the international operating segment. See Note 23 of our consolidated financial statements.

- U.S. The decrease in admissions revenues of \$11.1 million was primarily attributable to a 1.7% decrease in attendance, partially offset by a 0.6% increase in average ticket price from \$6.48 for 2010 to \$6.52 for 2011. The increase in concession revenues of \$15.5 million was primarily attributable to a 5.0% increase in concession revenues per patron from \$3.03 for 2010 to \$3.18 for 2011, partially offset by the 1.7% decrease in attendance. The increase in average ticket price was primarily due to incremental 3-D and premium pricing and other price increases, and the increase in concession revenues per patron was primarily due to incremental sales and price increases.
- International. The increase in admissions revenues of \$77.3 million was primarily attributable to an 11.1% increase in attendance and a 9.3% increase in average ticket price from \$4.51 for 2010 to \$4.93 for 2011. The increase in concession revenues of \$39.0 million was primarily attributable to the 11.1% increase in attendance and a 13.0% increase in concession revenues per patron from \$1.93 for 2010 to \$2.18 for 2011. The increase in average ticket price was primarily due to incremental 3-D and premium pricing and other price increases and the favorable impact of exchange rates in certain countries in which we operate. The increase in concession revenues per patron was primarily due to price increases and the favorable impact of exchange rates in certain countries in which we operate. The 31.8% increase in other revenues was primarily due to increases in ancillary revenue.

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,	
	2011	2010	2011	2010	2011	2010
Film rentals and advertising	\$ 574.2	\$ 586.6	\$ 224.4	\$ 183.1	\$ 798.6	\$ 769.7
Concession supplies	64.0	59.1	48.1	38.4	112.1	97.5
Salaries and wages	167.5	174.1	59.0	47.1	226.5	221.2
Facility lease expense	185.8	181.9	90.5	73.8	276.3	255.7
Utilities and other	174.5	161.5	85.2	78.0	259.7	239.5

- U.S. Film rentals and advertising costs were \$574.2 million, or 55.6% of admissions revenues, for 2011 compared to \$586.6 million, or 56.2% of admissions revenues, for 2010. The decrease in film rentals and advertising costs of \$12.4 million was primarily due to the \$11.1 million decrease in admissions revenues

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and a decrease in the film rentals and advertising rate primarily due to fewer blockbuster films released in 2011. Concession supplies expense was \$64.0 million, or 12.7% of concession revenues, for 2011 compared to \$59.1 million, or 12.1% of concession revenues, for 2010. The increase in the concession supplies rate was primarily due to increases in inventory procurement costs.

Salaries and wages decreased to \$167.5 million for 2011 from \$174.1 million for 2010 primarily due to the 1.7% decline in attendance and operating efficiencies achieved with reduced staffing levels. Facility lease expense increased to \$185.8 million for 2011 from \$181.9 million for 2010 primarily due to new theatres. Utilities and other costs increased to \$174.5 million for 2011 from \$161.5 million for 2010 primarily due to new theatres and increased expenses related to digital and 3-D equipment.

- *International.* Film rentals and advertising costs were \$224.4 million, or 51.2% of admissions revenues, for 2011 compared to \$183.1 million, or 50.8% of admissions revenues, for 2010. The increase in film rentals and advertising costs of \$41.3 million was primarily due to the \$77.3 million increase in admissions revenues and an increase in our film rentals and advertising rate. Concession supplies expense was \$48.1 million for 2011 compared to \$38.4 million for 2010, both of which represented 24.9% of concession revenues.

Salaries and wages increased to \$59.0 million for 2011 from \$47.1 million for 2010 primarily due to new theatres, increased wage rates, increased staffing levels to support the 11.1% increase in attendance and the impact of exchange rates in certain countries in which we operate. Facility lease expense increased to \$90.5 million for 2011 from \$73.8 million for 2010 primarily due to new theatres, increased percentage rent due to the 23.4% increase in revenues and the impact of exchange rates in certain countries in which we operate. Utilities and other costs increased to \$85.2 million for 2011 from \$78.0 million for 2010 primarily due to new theatres, increased expenses related to 3-D equipment and the impact of exchange rates in certain countries in which we operate.

General and Administrative Expenses. General and administrative expenses increased to \$127.6 million for 2011 from \$109.1 million for 2010. The increase was primarily due to increased salaries and incentive compensation expense of \$5.0 million, increased share based awards compensation expense of \$1.3 million, increased professional fees of \$2.1 million, increased service charges of \$1.0 million related to increased credit card activity and the impact of exchange rates in certain countries in which we operate.

Depreciation and Amortization. Depreciation and amortization expense, including amortization of favorable/ unfavorable leases, was \$154.4 million for 2011 compared to \$143.5 million for 2010. The increase was primarily due to new theatres, the impact of accelerated depreciation taken on our domestic 35 millimeter projection systems that were replaced with digital projection systems and the impact of exchange rates in certain countries in which we operate. 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 \$7.0 million for 2011 compared to \$12.5 million for 2010. Impairment charges for 2011 were related to theatre properties, impacting fourteen of our twenty-four reporting units. Impairment charges for 2010 consisted of \$10.8 million of theatre properties and \$1.5 million of intangible assets, impacting eighteen of our twenty-four reporting units, and \$0.2 million related to an equity investment that was written down to its estimated fair value. 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 10 and 11 to our consolidated financial statements.

(Gain) Loss on Sale of Assets and Other. We recorded a loss on sale of assets and other of \$8.8 million during 2011 compared to a gain on sale of assets and other of \$0.4 million during 2010. The loss recorded during 2011 included a loss of \$2.3 million related to a settlement for a previously terminated interest rate swap

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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. The gain recorded during 2010 included a gain of \$7.0 million related to the sale of a theatre in Canada and a gain of \$8.5 million related to the sale of our interest in a profit sharing agreement related to another previously sold property in Canada, which were partially offset by a loss of \$5.8 million for the write-off of an intangible asset associated with a vendor contract in Mexico that was terminated, a loss of \$2.3 million for the write-off of intangible assets associated with our original IMAX license agreement that was terminated, a loss of \$2.0 million that was recorded upon the contribution and sale of digital projection systems to DCIP and a loss of \$0.9 million related to storm damage to a U.S. theatre. See Note 7 to our consolidated financial statements for discussion of DCIP.

Interest Expense. Interest costs incurred, including amortization of debt issue costs, were \$123.1 million for 2011 compared to \$112.4 million for 2010. The increase was primarily due to increases in interest rates on our variable rate debt related to the amendment and extension of our former senior secured credit facility in March 2010 and the refinancing in June 2011 of the unextended portion of our term loan debt outstanding with 7.375% senior subordinated notes due 2021. See Note 13 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 \$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 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 13 to our consolidated financial statements.

Distributions from NCM. We recorded distributions received from NCM of \$24.2 million during 2011 and \$23.4 million during 2010, which were in excess of the carrying value of our Tranche 1 Investment. See Note 6 to our consolidated financial statements.

Loss on Marketable Securities — RealD. We recorded a loss on our investment in RealD of \$12.6 million 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 (Loss) of Affiliates. We recorded equity in income of affiliates of \$5.7 million during 2011 compared to a loss of \$3.4 million during 2010. The equity in income of affiliates recorded during 2011 primarily included approximately \$5.4 million of income related to our equity investment in NCM (see Note 6 to our consolidated financial statements) and approximately \$0.5 million of income related to our equity investment in DCIP (see Note 7 to our consolidated financial statements). The equity in loss of affiliates recorded during 2010 primarily included a loss of approximately \$7.9 million related to our equity investment in DCIP (see Note 7 to our consolidated financial statements), offset by income of approximately \$4.5 million related to our equity investment in NCM (see Note 6 to our consolidated financial statements).

Income Taxes. Income tax expense of \$73.1 million was recorded for 2011 compared to \$57.8 million recorded for 2010. The effective tax rate for 2011 was 35.5%. The effective tax rate for 2010 was 27.9%. See Note 21 to our consolidated financial statements.

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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 or debit 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 \$264.8 million, \$391.2 million and \$395.2 million for the years ended December 31, 2010, 2011 and 2012, respectively. Cash provided by operating activities for the year ended December 31, 2010 is lower primarily due to a higher film rental liability at December 31, 2009 attributable to the significant domestic box office performance during the latter part of December 2009, when *Avatar* was released.

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 \$136.1 million, \$247.1 million and \$234.3 million for the years ended December 31, 2010, 2011 and 2012, respectively. Cash used for investing activities for the year ended December 31, 2011 included the acquisition of ten theatres in Argentina for approximately \$67.0 million (see Note 5 to the consolidated financial statements). Cash used for investing activities for the year ended December 31, 2012 included the acquisition of one theatre in the U.S. for \$14.1 million and an increased level of capital expenditures.

Capital expenditures for the years ended December 31, 2010, 2011 and 2012 were as follows (in millions):

<u>Period</u>	<u>New Theatres</u>	<u>Existing Theatres</u>	<u>Total</u>
Year Ended December 31, 2010	\$ 54.5	\$ 101.6	\$ 156.1
Year Ended December 31, 2011	\$ 73.5	\$ 111.3	\$ 184.8
Year Ended December 31, 2012	\$ 104.9	\$ 115.8	\$ 220.7

During November 2012, we entered into an asset purchase agreement with Rave Real Property Holdco, LLC and certain of its subsidiaries, Rave Cinemas, LLC and RC Processing, LLC (collectively “Rave”), pursuant to which we will acquire 32 theatres with 483 screens located in 12 states. The estimated purchase price is approximately \$240.0 million. The purchase price, the amount of which is subject to certain closing date adjustments, will consist of cash consideration and the assumption of certain liabilities. The transaction is expected to close during the first quarter of 2013, subject to the satisfaction of customary closing conditions for transactions of this type, including Department of Justice or Federal Trade Commission antitrust approval. We plan to use existing cash to fund the Rave acquisition.

We continue to invest in our U.S. theatre circuit. We built four new theatres and 59 screens, acquired one theatre with 16 screens and closed four theatres with 37 screens during the year ended December 31, 2012, bringing our total domestic screen count to 3,916. At December 31, 2012, we had signed commitments to open nine new theatres and 111 screens in domestic markets during 2013 and open five new theatres with 67 screens subsequent to 2013. We estimate the remaining capital expenditures for the development of these 178 domestic screens will be approximately \$123 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 eight new theatres and 54 screens and closed 4 screens during the year ended December 31, 2012, bringing our total international screen count to 1,324. At December 31, 2012, we had signed commitments to open 13 new theatres with 88 screens in international markets during 2013 and open three new theatres with 21 screens subsequent to 2013. We estimate

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the remaining capital expenditures for the development of these 109 international screens will be approximately \$89 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 \$(106.7) million, \$(78.4) million and \$63.4 million during the years ended December 31, 2010, 2011 and 2012, respectively. See Note 4 to the consolidated financial statements for a summary of dividends declared and paid during the years ended December 31, 2010, 2011 and 2012. 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 our 5.125% senior notes due 2022, partially offset by the use of a portion of these proceeds to pay off the remaining \$899.0 million term loan outstanding under the former senior secured credit facility. See below for further information regarding these transactions.

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.

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, 2011 and 2012 (in millions):

	<u>December 31, 2011</u>	<u>December 31, 2012</u>
Cinemark USA, Inc. term loan	\$ 905.9	\$ 700.0
Cinemark USA, Inc. 8.625% senior notes due 2019 ⁽¹⁾	460.5	461.5
Cinemark USA, Inc. 5.125% senior notes due 2022	—	400.0
Cinemark USA, Inc. 7.375% senior subordinated notes due 2021	200.0	200.0
Hoyts General Cinema (Argentina) bank loan due 2013 ⁽²⁾	5.8	2.5
Total long-term debt	<u>\$ 1,572.2</u>	<u>\$ 1,764.0</u>
Less current portion	12.1	9.5
Long-term debt, less current portion	<u>\$ 1,560.1</u>	<u>\$ 1,754.5</u>

⁽¹⁾ Includes the \$470.0 million aggregate principal amount of the 8.625% senior notes net of the original issue discount, which was \$9.5 million and \$8.5 million as of December 31, 2011 and 2012, respectively.

⁽²⁾ See Note 5 to our consolidated financial statements.

As of December 31, 2012, we had \$100.0 million in available borrowing capacity on our revolving credit line.

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As of December 31, 2012, 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:

<u>Contractual Obligations</u>	<u>Payments Due by Period (in millions)</u>				
	<u>Total</u>	<u>Less Than One Year</u>	<u>1 - 3 Years</u>	<u>3 - 5 Years</u>	<u>After 5 Years</u>
Long-term debt ⁽¹⁾	\$ 1,772.5	9.5	14.0	14.0	1,735.0
Scheduled interest payments on long-term debt ⁽²⁾	\$ 784.6	104.0	206.7	205.6	268.3
Operating lease obligations	\$ 1,889.2	225.8	449.7	406.5	807.2
Capital lease obligations	\$ 150.2	11.1	25.7	29.4	84.0
Scheduled interest payments on capital leases	\$ 85.1	14.2	24.8	19.2	26.9
Employment agreements	\$ 13.5	4.5	9.0	—	—
Purchase commitments ⁽³⁾	\$ 227.2	155.5	70.5	0.5	0.7
Current liability for uncertain tax positions ⁽⁴⁾	\$ 14.9	14.9	—	—	—
Total obligations	\$ 4,937.2	\$ 539.5	\$ 800.4	\$ 675.2	\$ 2,922.1

⁽¹⁾ Includes the 8.625% senior notes due 2019 in the aggregate principal amount of \$470.0 million excluding the discount of \$8.5 million.

⁽²⁾ Amounts include scheduled interest payments on fixed rate and variable rate debt agreements. Estimates for the variable rate interest payments were based on interest rates in effect on December 31, 2012. The average interest rates in effect on our fixed rate and variable rate debt are 6.3% and 3.2%, respectively, as of December 31, 2012.

⁽³⁾ Includes estimated capital expenditures associated with the construction of new theatres to which we were committed as of December 31, 2012.

⁽⁴⁾ The contractual obligations table excludes the long-term portion of our liability for uncertain tax positions of \$19.6 million because we cannot make a reliable estimate of the timing of the related cash payments.

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 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, also discussed below. We incurred debt issue costs of approximately \$12.0 million 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, 2012, 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.

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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, 2012, Cinemark USA, Inc. could have distributed up to approximately \$1,409.0 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, 2012, there was \$700.0 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, 2012 was approximately 4.0% per annum.

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 as discussed above and a portion of the proceeds are expected to be 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. We incurred debt issue costs of approximately \$6.4 million in connection with the issuance during the year ended December 31, 2012.

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

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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, 2012, Cinemark USA, Inc. could have distributed up to approximately \$1,118.5 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, 2012 was 5.6 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.

Under a registration rights agreement entered into in conjunction with the issuance of the 5.125% Senior Notes, the Company and its guarantor subsidiaries are obligated to use its commercially reasonable best efforts to file a registration statement with the Securities and Exchange Commission, or the Commission, on or prior to 120 days from the issuance date, pursuant to which the Company will offer to exchange the 5.125% Senior Notes for substantially identical notes registered under the Securities Act of 1933, as amended, that will not contain terms restricting the transfer thereof or providing for registration rights. The Company will use its commercially reasonable best efforts to have the registration statement declared effective by the Commission on or prior to 210 days from the issuance date, or the Effective Date. The Company will use its commercially reasonable best efforts to issue on the earliest practicable date after the Effective Date, but not later than 30 days thereafter, exchange registered 5.125% Senior Notes in exchange for all 5.125% Senior Notes tendered prior thereto in the exchange offer. If the Company is obligated to file a shelf registration statement, the Company will use its commercially reasonable best efforts to file the shelf registration statement with the Commission on or prior to 30 days after such filing obligation arises (and in any event within 240 days after the closing of the 5.125% Senior Notes offering) and to cause the shelf registration statement to be declared effective by the Commission on or prior to 210 days after such obligation arises. The Company will use its commercially reasonable best efforts to keep the shelf registration statement effective for a period of one year after the closing of the 5.125% Senior Notes offering, subject to certain exceptions.

If (a) the Company fails to file the registration statement on or before the date specified, (b) if such registration statement is not declared effective by the Commission on or prior to the date specified for such effectiveness, (c) if the Company fails to consummate the exchange offer within 30 business days of the Effective Date with respect to the exchange offer registration statement or (d) if the date the shelf registration statement is declared effective by the Commission or the exchange offer registration statement thereafter ceases to be effective or usable during the periods specified in the registration rights agreement without being succeeded within two business days by a post-effective amendment to such registration statement that cures such failure and that is itself immediately declared effective (each such event a "Registration Default"), the Company will pay

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additional interest to each holder of the 5.125% Senior Notes. Such additional interest, with respect to the first 90-day period immediately following the occurrence of any such Registration Default, shall equal an increase in the annual interest rate on the notes by 0.5% per annum.

The amount of the additional interest will increase by an additional 0.5% per annum with respect to each subsequent 90-day period relating to such Registration Default until all Registration Defaults have been cured, up to a maximum amount of additional interest for all Registration Defaults of 1.0% per annum. The 5.125% Senior Notes will not accrue additional interest from and after the second anniversary of the closing of the 5.125% Senior Notes offering even if the Company is not in compliance with its obligations under the registration rights agreement. The receipt of additional interest shall be the sole remedy available to holders of 5.125% Senior Notes as a result of one or more Registration Defaults. Following the cure of all Registration Defaults, the accrual of additional interest will cease.

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, 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. We incurred debt issue costs of approximately \$4.5 million during the year ended December 31, 2011 in connection with the issuance.

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, 2012, Cinemark USA, Inc. could have distributed up to approximately \$1,107.4 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, 2012 was 5.5 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

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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 \$199.5 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, 2012.

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. Interest on the 8.625% Senior Notes is payable on June 15 and December 15 of each year. The 8.625% Senior Notes mature on June 15, 2019. The original issue discount is being amortized on the effective interest method over the term of the 8.625% Senior Notes. As of December 31, 2012, the carrying value of the 8.625% Senior Notes was \$461.5 million.

Cinemark USA, Inc. filed a registration statement with the Securities and Exchange Commission on September 24, 2009 pursuant to which Cinemark USA, Inc. offered to exchange the 8.625% Senior Notes for substantially similar registered 8.625% Senior Notes. The registration statement became effective and the notes were exchanged on December 17, 2009. The registered 8.625% Senior Notes, issued in the exchange, do not have transfer restrictions.

The 8.625% 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 8.625% 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 8.625% 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 8.625% 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 8.625% Senior Notes.

The indenture to the 8.625% Senior Notes contains covenants that limit, among other things, the ability of Cinemark USA, Inc. and certain of its subsidiaries to (1) consummate specified asset sales, (2) make investments or other restricted payments, including paying dividends, making other distributions or repurchasing subordinated debt or equity, (3) incur additional indebtedness and issue preferred stock, (4) enter into transactions with affiliates, (5) enter new lines of business, (6) merge or consolidate with, or sell all or substantially all of its assets to, another person and (7) create liens. As of December 31, 2012, Cinemark USA, Inc. could have distributed up to approximately \$1,060.2 million to its parent company and sole stockholder, Cinemark Holdings, Inc., under the terms of the indenture to the 8.625% 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 8.625% Senior Notes at a price equal to 101% of the aggregate principal amount outstanding plus accrued and unpaid

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interest, if any, through the date of repurchase. Certain asset dispositions are considered triggering events that may require Cinemark USA, Inc. to use the proceeds from those asset dispositions to make an offer to purchase the notes at 100% of their principal amount, plus accrued and unpaid interest, if any, to the date of repurchase if such proceeds are not otherwise used within 365 days as described in the indenture. The indenture governing the 8.625% 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, 2012 was 5.5 to 1.

Prior to June 15, 2014, Cinemark USA, Inc. may redeem all or any part of the 8.625% Senior Notes at its option at 100% of the principal amount plus a make-whole premium. After June 15, 2014, Cinemark USA, Inc. may redeem the 8.625% Senior Notes in whole or in part at redemption prices described in the senior notes. In addition, Cinemark USA, Inc. may redeem up to 35% of the aggregate principal amount of the 8.625% Senior Notes from the net proceeds of certain equity offerings at the redemption price set forth in the 8.625% Senior Notes.

Former Senior Secured Credit Facility

On October 5, 2006, in connection with the Century Acquisition, Cinemark USA, Inc. entered into its former senior secured credit facility that provided for a seven year \$1,120.0 million term loan and a six year \$150.0 million revolving credit line. On March 2, 2010, the Company completed an amendment and extension to this former senior secured credit facility to primarily extend the maturities of the facility and make certain other modifications. Approximately \$924.4 million of the Company's then remaining outstanding \$1,083.6 million term loan debt was extended from an original maturity date of October 2013 to a maturity date of April 2016. The then remaining term loan debt of \$159.2 million that was not extended continued to have a maturity date of October 2013. On June 3, 2011, Cinemark USA, Inc. prepaid the remaining \$157.2 million of its unextended term loan debt utilizing a portion of the proceeds from the issuance of the Cinemark USA, Inc. 7.375% senior subordinated notes discussed above. There were no prepayment penalties incurred upon the prepayment of the term loan debt. Subsequent to the prepayment, the quarterly payments due on the term loan were approximately \$2.3 million per quarter through March 2016 with the remaining principal amount of approximately \$866.6 million due April 30, 2016. The prepayment did not impact the interest rate applicable to the remaining portion of the term loan debt, which accrued interest at Cinemark USA, Inc.'s option at: (A) the base rate equal to the higher of (1) the prime lending rate as set forth on the British Banking Association Telerate page 5, or (2) the federal funds effective rate from time to time plus 0.50%, plus a 2.25% margin per annum, or (B) a "eurodollar rate" plus a 3.25% margin per annum.

The prepayment did not impact the interest rate applicable to or the maturity of Cinemark USA, Inc.'s revolving credit line. The maturity date of \$73.5 million of Cinemark USA, Inc.'s \$150.0 million revolving credit line had been extended from October 2012 to March 2015. The maturity date of the remaining \$76.5 million of Cinemark USA, Inc.'s revolving credit line did not change and remained October 2012. The interest rate on the original revolving credit line accrued interest, at Cinemark USA, Inc.'s option, at: (A) a base rate equal to the higher of (1) the prime lending rate as set forth on the British Banking Association Telerate page 5 and (2) the federal funds effective rate from time to time plus 0.50%, plus a margin that ranges from 0.50% to 1.00% per annum, or (B) a "eurodollar rate" plus a margin that ranged from 1.50% to 2.00% per annum. The interest rate on the extended revolving credit line accrued interest, at Cinemark USA, Inc.'s option at: (A) the base rate equal to the higher of (1) the prime lending rate as set forth on the British Banking Association Telerate page 5, or (2) the federal funds effective rate from time to time plus 0.50%, plus a margin that ranges from 1.75% to 2.0% per annum, or (B) a "eurodollar rate" plus a margin that ranged from 2.75% to 3.0% per annum. The margin of the revolving credit line was determined by the consolidated net senior secured leverage ratio as defined in the Former Senior Secured Credit Facility.

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As a result of the prepayment made in June 2011, we wrote-off approximately \$2.2 million in unamortized debt issue costs related to the unextended portion of term loan debt that was prepaid. In addition, we determined that a portion of the quarterly interest payments hedged by two of our then current interest rate swap agreements under cash flow hedges and the quarterly interest payments related to our previously terminated interest rate swap agreement were probable not to occur and therefore reclassified approximately \$2.7 million of our accumulated other comprehensive loss related to these cash flow hedges to earnings, as a component of loss on early retirement of debt. These write-offs, combined with related fees, are reflected in loss on early retirement of debt for the year ended December 31, 2011.

On December 18, 2012, the remaining outstanding term loan of \$899.0 million was paid in full with proceeds from the Amended Senior Secured Credit Facility combined with a portion of the proceeds from the 5.125% Senior Notes issuance, both of which are discussed above.

Covenant Compliance

As of December 31, 2012, 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 December 2012.

<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. 8.625% 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

In July 2012, the FASB issued Accounting Standards Update 2012-02, *Testing Indefinite-Lived Intangible Assets for Impairment, an amendment to FASB ASC Topic 350, Intangibles — Goodwill and Other* (“ASU 2012-02”). The update provides an entity with the option first to assess qualitative factors in determining whether it is more likely than not that the indefinite-lived intangible asset is impaired. After assessing the qualitative factors, if an entity determines that it is not more likely than not that the indefinite-lived intangible asset is impaired, the entity is not required to take further action. If an entity concludes otherwise, then it is required to determine the fair value of the indefinite-lived intangible asset and perform the quantitative impairment test. ASU 2012-02 is effective for annual and interim impairment tests performed for fiscal years beginning after September 15, 2012. Early adoption was permitted. We do not expect the adoption of ASU 2012-02 to have a significant impact on our consolidated financial statements.

Seasonality

Our revenues have historically been seasonal, coinciding with the timing of releases of motion pictures by the major distributors. Generally, the most successful motion pictures have been released during the summer, extending from May to mid-August, 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, 2012, there was an aggregate of approximately \$250.0 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, 2012, a 100 basis point increase in market interest rates would increase our annual interest expense by approximately \$2.5 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, 2012:

<u>Nominal Amount</u> <u>(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, 2012:

	Expected Maturity for the Twelve-Month Periods Ending December 31, (in millions)							Fair Value	Average Interest Rate
	2013	2014	2015	2016	2017	Thereafter	Total		
Fixed rate ⁽¹⁾⁽²⁾	\$ 2.5	\$—	\$—	\$—	\$—	\$ 1,520.0	\$ 1,522.5	\$ 1,601.2	6.3%
Variable rate	7.0	7.0	7.0	7.0	7.0	215.0	250.0	250.0	3.2%
Total debt	<u>\$9.5</u>	<u>\$ 7.0</u>	<u>\$ 7.0</u>	<u>\$ 7.0</u>	<u>\$ 7.0</u>	<u>\$ 1,735.0</u>	<u>\$ 1,772.5</u>	<u>\$ 1,851.2</u>	

⁽¹⁾ 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.

⁽²⁾ Includes the 8.625% senior notes in the aggregate principal amount of \$470.0 million, excluding the discount of \$8.5 million.

Foreign Currency Exchange Rate Risk

We are also exposed to market risk arising from changes in foreign currency exchange rates as a result of our international operations. Generally, we export from the U.S. certain of the equipment and construction interior finish items and other operating supplies used by our international subsidiaries. A majority of the revenues and operating expenses of our international subsidiaries are transacted in the country's local currency. Generally accepted accounting principles in the U.S., or U.S. GAAP, require that our subsidiaries use the currency of the primary economic environment in which they operate as their functional currency. If our subsidiaries operate in a highly inflationary economy, 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, 2012, 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 \$51 million and would decrease the aggregate net income of our international subsidiaries for the years ended December 31, 2010, 2011 and 2012 by approximately \$8 million, \$9 million and \$9 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, 2012, 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, 2012, 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

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our management, including our principal executive officer and principal financial officer, as appropriate to allow timely decisions regarding required disclosures.

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, 2012 based on criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission, or COSO, in *Internal Control — Integrated Framework*. As a result of this assessment, management concluded that, as of December 31, 2012, 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.

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, 2012 that materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

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, 2012, based on criteria established in *Internal Control — Integrated Framework* 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, 2012, based on the criteria established in *Internal Control — Integrated Framework* 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, 2012 of the Company and our report dated February 28, 2013 expressed an unqualified opinion on those financial statements and financial statement schedule.

/s/Deloitte & Touche LLP

Dallas, Texas
February 28, 2013

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 23, 2013 and to be filed with the SEC within 120 days after December 31, 2012.

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 23, 2013 and to be filed with the SEC within 120 days after December 31, 2012.

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 23, 2013 and to be filed with the SEC within 120 days after December 31, 2012.

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 23, 2013 and to be filed with the SEC within 120 days after December 31, 2012.

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 23, 2013 and to be filed with the SEC within 120 days after December 31, 2012.

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 F-50.

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.

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, 2013

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, 2013
<u>/s/ Tim Warner</u> Tim Warner	Chief Executive Officer (principal executive officer)	February 28, 2013
<u>/s/ Robert Copple</u> Robert Copple	Executive Vice President; Treasurer and Chief Financial Officer (principal financial and accounting officer)	February 28, 2013
<u>/s/ Benjamin D. Chereskin</u> Benjamin D. Chereskin	Director	February 28, 2013
<u>/s/ Vahe A. Dombalagian</u> Vahe A. Dombalagian	Director	February 28, 2013
<u>/s/ Peter R. Ezersky</u> Peter R. Ezersky	Director	February 28, 2013
<u>/s/ Enrique F. Senior</u> Enrique F. Senior	Director	February 28, 2013

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<u>Name</u>	<u>Title</u>	<u>Date</u>
<u>/s/ Raymond W. Syufy</u> Raymond W. Syufy	Director	February 28, 2013
<u>/s/ Carlos M. Sepulveda</u> Carlos M. Sepulveda	Director	February 28, 2013
<u>/s/ Roger T. Staubach</u> Roger T. Staubach	Director	February 28, 2013
<u>/s/ Donald G. Soderquist</u> Donald G. Soderquist	Director	February 28, 2013
<u>/s/ Steven Rosenberg</u> Steven Rosenberg	Director	February 28, 2013

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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.

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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, 2011 and 2012, 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, 2012. 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, 2011 and 2012, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2012, 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, 2012, based on the criteria established in *Internal Control — Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated February 28, 2013 expressed an unqualified opinion on the Company’s internal control over financial reporting.

/s/Deloitte & Touche LLP

Dallas, Texas
February 28, 2013

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

	December 31, 2011	December 31, 2012
Assets		
Current assets		
Cash and cash equivalents	\$ 521,408	\$ 742,664
Inventories	11,284	12,571
Accounts receivable	54,757	57,122
Income tax receivable	17,786	7,129
Deferred tax asset	10,583	14,397
Prepaid expenses and other	11,300	11,278
Total current assets	627,118	845,161
Theatre properties and equipment		
Land	97,244	102,490
Buildings	397,857	398,151
Property under capital lease	226,522	244,022
Theatre furniture and equipment	677,422	748,756
Leasehold interests and improvements	704,882	790,710
Total	2,103,927	2,284,129
Less accumulated depreciation and amortization	865,077	979,171
Theatre properties and equipment, net	1,238,850	1,304,958
Other assets		
Goodwill	1,150,637	1,150,811
Intangible assets — net	336,907	330,741
Investment in NCM	72,040	78,123
Investment in DCIP	12,798	23,012
Investment in marketable securities — RealD	9,709	13,707
Investments in and advances to affiliates	1,543	1,482
Long-term deferred tax asset	8,826	13,187
Deferred charges and other assets — net	63,980	102,044
Total other assets	1,656,440	1,713,107
Total assets	\$ 3,522,408	\$ 3,863,226
Liabilities and equity		
Current liabilities		
Current portion of long-term debt	\$ 12,145	\$ 9,546
Current portion of capital lease obligations	9,639	11,064
Income tax payable	6,506	8,891
Current liability for uncertain tax positions	—	14,900
Accounts payable	65,861	70,833
Accrued film rentals	64,373	65,059
Accrued interest	6,147	4,694
Accrued payroll	34,270	39,443
Accrued property taxes	24,086	24,599
Accrued other current liabilities	82,000	89,175
Total current liabilities	305,027	338,204
Long-term liabilities		
Long-term debt, less current portion	1,560,076	1,754,464
Capital lease obligations, less current portion	131,533	139,107
Deferred tax liability	162,449	177,960
Liability for uncertain tax positions	22,411	19,575
Deferred lease expenses	34,466	38,297
Deferred revenue — NCM	236,310	241,305
Other long-term liabilities	46,497	59,330
Total long-term liabilities	2,193,742	2,430,038
Commitments and contingencies (see Note 22)		
Equity		
Cinemark Holdings, Inc.'s stockholders' equity		
Common stock, \$0.001 par value: 300,000,000 shares authorized; 117,593,329 shares issued and 114,201,737 shares outstanding at December 31, 2011 and 118,502,752 shares issued and 114,949,667 shares outstanding at December 31, 2012	118	118
Additional paid-in-capital	1,047,237	1,064,016
Treasury stock, 3,391,592 and 3,553,085 common shares at cost at December 31, 2011 and December 31, 2012, respectively	(45,219)	(48,482)
Retained earnings	34,423	106,111
Accumulated other comprehensive loss	(23,682)	(37,698)
Total Cinemark Holdings, Inc.'s stockholders' equity	1,012,877	1,084,065
Noncontrolling interests	10,762	10,919
Total equity	1,023,639	1,094,984
Total liabilities and equity	\$ 3,522,408	\$ 3,863,226

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

CINEMARK HOLDINGS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME
YEARS ENDED DECEMBER 31, 2010, 2011 AND 2012
(In thousands, except per share data)

	<u>2010</u>	<u>2011</u>	<u>2012</u>
Revenues			
Admissions	\$ 1,405,389	\$ 1,471,627	\$ 1,580,401
Concession	642,326	696,754	771,405
Other	93,429	111,232	121,725
Total revenues	<u>2,141,144</u>	<u>2,279,613</u>	<u>2,473,531</u>
Cost of operations			
Film rentals and advertising	769,698	798,606	845,107
Concession supplies	97,484	112,122	123,471
Salaries and wages	221,246	226,475	247,468
Facility lease expense	255,717	276,278	281,615
Utilities and other	239,470	259,703	280,670
General and administrative expenses	109,045	127,621	148,624
Depreciation and amortization	143,508	154,449	147,675
Impairment of long-lived assets	12,538	7,033	3,031
(Gain) loss on sale of assets and other	(431)	8,792	12,168
Total cost of operations	<u>1,848,275</u>	<u>1,971,079</u>	<u>2,089,829</u>
Operating income	292,869	308,534	383,702
Other income (expense)			
Interest expense	(112,444)	(123,102)	(123,665)
Interest income	6,105	8,108	6,373
Foreign currency exchange gain (loss)	1,054	(219)	2,086
Loss on early retirement of debt	(3)	(4,945)	(5,599)
Distributions from NCM	23,358	24,161	20,812
Dividend income	—	54	—
Loss on marketable securities — RealD	—	(12,610)	—
Equity in income (loss) of affiliates	(3,438)	5,651	13,109
Total other expense	<u>(85,368)</u>	<u>(102,902)</u>	<u>(86,884)</u>
Income before income taxes	207,501	205,632	296,818
Income taxes	57,838	73,050	125,398
Net income	149,663	132,582	171,420
Less: Net income attributable to noncontrolling interests	3,543	2,025	2,471
Net income attributable to Cinemark Holdings, Inc.	<u>\$ 146,120</u>	<u>\$ 130,557</u>	<u>\$ 168,949</u>
Weighted average shares outstanding			
Basic	111,565	112,736	113,216
Diluted	<u>112,151</u>	<u>113,224</u>	<u>113,824</u>
Earnings per share attributable to Cinemark Holdings, Inc.'s common stockholders:			
Basic	<u>\$ 1.30</u>	<u>\$ 1.15</u>	<u>\$ 1.47</u>
Diluted	<u>\$ 1.29</u>	<u>\$ 1.14</u>	<u>\$ 1.47</u>

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

CINEMARK HOLDINGS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2010, 2011 AND 2012
(In thousands)

	<u>2010</u>	<u>2011</u>	<u>2012</u>
Net income	\$ 149,663	\$ 132,582	\$ 171,420
Other comprehensive income (loss), net of tax			
Unrealized gain (loss) due to fair value adjustments on interest rate swap agreements, net of taxes of \$4,339, \$3,786 and \$557	7,170	(2,830)	1,020
Unrealized gain (loss) due to fair value adjustments on available-for-sale securities, net of taxes of \$3,425, \$8,128 and \$1,499	5,659	(13,566)	2,499
Amortization of accumulated other comprehensive loss on terminated swap agreement	4,633	4,236	2,470
Foreign currency translation adjustment	19,432	(46,280)	(20,232)
Total other comprehensive income (loss), net of tax	<u>36,894</u>	<u>(58,440)</u>	<u>(14,243)</u>
Total comprehensive income, net of tax	186,557	74,142	157,177
Comprehensive income attributable to noncontrolling interests	(3,711)	(1,803)	(2,244)
Comprehensive income attributable to Cinemark Holdings, Inc.	<u>\$ 182,846</u>	<u>\$ 72,339</u>	<u>\$ 154,933</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, 2010, 2011 AND 2012
(In thousands)

	Common Stock		Treasury Stock		Additional Paid-in- Capital	Retained Earnings (Deficit)	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, 2010	114,222	\$ 114	(3,305)	\$(43,895)	\$ 1,011,667	\$ (60,595)	\$ (7,459)	\$ 899,832	\$ 14,796	\$ 914,628
Issuance of restricted stock	684	1	—	—	—	—	—	1	—	1
Exercise of stock options, net of stock withholdings	1,092	1	(35)	(531)	8,327	—	—	7,797	—	7,797
Restricted stock forfeitures and stock withholdings related to restricted stock that vested during the year ended December 31, 2010	—	—	(20)	(299)	—	—	—	(299)	—	(299)
Share based awards compensation expense	—	—	—	—	8,352	—	—	8,352	—	8,352
Tax benefit related to stock option exercises and share based award vestings	—	—	—	—	2,680	—	—	2,680	—	2,680
Dividends paid to stockholders, \$0.75 per share	—	—	—	—	—	(84,502)	—	(84,502)	—	(84,502)
Dividends accrued on unvested restricted stock unit awards	—	—	—	—	—	(635)	—	(635)	—	(635)
Dividends paid to noncontrolling interests	—	—	—	—	—	—	—	—	(539)	(539)
Purchase of noncontrolling interest share of Panama subsidiary	—	—	—	—	(390)	—	—	(390)	(498)	(888)
Colombia share exchange (see Note 9)	1,113	1	—	—	6,950	—	(1,086)	5,865	(5,865)	—
Net income	—	—	—	—	—	146,120	—	146,120	3,543	149,663
Other comprehensive income	—	—	—	—	—	—	36,726	36,726	168	36,894
Balance at December 31, 2010	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	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

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, 2010, 2011 AND 2012
(In thousands)

	2010	2011	2012
Operating activities			
Net income	\$ 149,663	\$ 132,582	\$ 171,420
Adjustments to reconcile net income to cash provided by operating activities:			
Depreciation	138,637	150,149	143,394
Amortization of intangible and other assets and unfavorable leases	4,871	4,300	4,281
Amortization of long-term prepaid rents	1,786	2,657	2,673
Amortization of debt issue costs	4,716	4,744	4,792
Amortization of deferred revenues, deferred lease incentives and other	(6,968)	(9,629)	(9,343)
Amortization of bond discount	780	853	933
Amortization of accumulated other comprehensive loss related to terminated interest rate swap agreement	4,633	4,236	2,470
Fair value change in interest rate swap agreements not designated as hedges		(1,130)	(808)
Impairment of long-lived assets	12,538	7,033	3,031
Share based awards compensation expense	8,352	9,692	15,070
(Gain) loss on sale of assets and other	(2,464)	7,754	12,168
Loss on contribution and sale of digital projection systems to DCIP	2,033	1,038	—
Loss on marketable securities — RealD	—	12,610	—
Write-off of unamortized debt issue costs and accumulated other comprehensive loss related to early retirement of debt	—	4,945	—
Deferred lease expenses	3,940	4,155	4,104
Deferred income tax expenses	(8,603)	21,676	5,280
Equity in (income) loss of affiliates	3,438	(5,651)	(13,109)
Tax benefit related to stock option exercises and restricted stock vestings	2,680	917	—
Distributions from equity investees	5,486	7,125	7,470
Changes in other assets and liabilities	(60,767)	31,145	41,379
Net cash provided by operating activities	264,751	391,201	395,205
Investing activities			
Additions to theatre properties and equipment	(156,102)	(184,819)	(220,727)
Proceeds from sale of theatre properties and equipment and other	21,791	6,230	1,976
Acquisition of theatres in the U.S.	—	—	(14,080)
Acquisition of theatres in Argentina	—	(66,958)	—
Investment in DCIP and other	(1,756)	(1,520)	(1,480)
Net cash used for investing activities	(136,067)	(247,067)	(234,311)
Financing activities			
Proceeds from stock option exercises	7,914	444	459
Payroll taxes paid as a result of noncash stock option exercises and restricted stock withholdings	(416)	(494)	(3,263)
Dividends paid to stockholders	(84,502)	(95,838)	(96,367)
Retirement of senior subordinated notes	(181)	—	—
Proceeds from issuance of notes	—	200,000	400,000
Payment of debt issue costs	(8,858)	(4,539)	(18,453)
Proceeds from amended senior secured credit facility	—	—	700,000
Repayment of former senior secured credit facility	—	—	(898,955)
Repayments of other long-term debt	(11,853)	(166,898)	(9,711)
Payments on capital leases	(7,327)	(7,526)	(9,451)
Purchases of non-controlling interests	(888)	(1,443)	—
Other	(539)	(2,120)	(835)
Net cash provided by (used for) financing activities	(106,650)	(78,414)	63,424
Effect of exchange rates on cash and cash equivalents	<u>5,027</u>	<u>(9,309)</u>	<u>(3,062)</u>
Increase in cash and cash equivalents	<u>27,061</u>	<u>56,411</u>	<u>221,256</u>
Cash and cash equivalents:			
Beginning of year	<u>437,936</u>	<u>464,997</u>	<u>521,408</u>
End of year	<u>\$ 464,997</u>	<u>\$ 521,408</u>	<u>\$ 742,664</u>

Supplemental information (see Note 20)

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, Mexico, Argentina, Chile, Colombia, Peru, Ecuador, Honduras, El Salvador, Nicaragua, Costa Rica, Panama and Guatemala. The Company also managed additional theatres in the U.S., Brazil, and Colombia during the year ended December 31, 2012.

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 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, 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 its assessment of impairment of individual theatre assets. Long-lived assets are evaluated for impairment on an individual theatre basis, which the Company believes is the lowest applicable level for which there are identifiable cash flows. The impairment evaluation is based on the

CINEMARK HOLDINGS, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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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 2010, 2011 and 2012. 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 11.

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. Management considers the reporting unit to be each of its sixteen regions in the U.S. and each of its eight 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 six and a half times for the evaluation performed during 2010 and seven and a half times for the evaluations performed during 2011 and 2012.

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.

CINEMARK HOLDINGS, INC. AND SUBSIDIARIES
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In thousands, except share and per share data

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 1 to 10 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 1 to 24 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 1 to 8 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 1 to 10 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 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, 2012, claims were capped at \$250 per occurrence with an annual cap of approximately \$2,650. The Company is also self-insured for medical claims up to \$125 per occurrence. The

CINEMARK HOLDINGS, INC. AND SUBSIDIARIES
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In thousands, except share and per share data

Company is fully insured for workers compensation claims. As of December 31, 2011 and 2012, the Company's insurance reserves were \$7,600 and \$7,693, 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, 2011 and 2012, the Company's liabilities for advanced sale-type certificates were approximately \$41,611 and \$46,063, 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 \$7,073, \$7,846 and \$9,093 during the years ended December 31, 2010, 2011 and 2012, 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 specified percentage of box office receipts, which reflects either a mutually agreed upon aggregate rate for the life of the film or rates that decline over the term of the run. 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 award of equity instruments based on the fair value of the award on the date of the grant. The grant date fair value is estimated using either an option-pricing model, consistent with the terms of the award, or a market observed price, if such a price exists. Such costs 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). The Company also estimates the number of instruments that will ultimately be forfeited. See Note 19 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

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

resolution of any related appeals or litigation processes, based on the technical merits of the position. In evaluating whether a tax position has met the more-likely-than-not recognition threshold, the 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, 2010, 2011 and 2012, the Company managed its business under two reportable operating segments, U.S. markets and international markets. See Note 23.

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. 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, 2012. See Note 14 for further discussion of the Company's interest rate swap agreements and Note 15 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

In July 2012, the FASB issued Accounting Standards Update 2012-02, *Testing Indefinite-Lived Intangible Assets for Impairment, an amendment to FASB ASC Topic 350, Intangibles — Goodwill and Other* (“ASU 2012-02”). The update provides an entity with the option first to assess qualitative factors in determining whether it is more likely than not that the indefinite-lived intangible asset is impaired. After assessing the qualitative factors, if an entity determines that it is not more likely than not that the indefinite-lived intangible asset is impaired, the entity is not required to take further action. If an entity concludes otherwise, then it is required to determine the fair value of the indefinite-lived intangible asset and perform the quantitative impairment test. ASU 2012-02 is effective for annual and interim impairment tests performed for fiscal years beginning after September 15, 2012. Early adoption is permitted. The Company does not expect the adoption of ASU 2012-02 to have a significant impact on its consolidated financial statements.

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,		
	2010	2011	2012
Numerator:			
Net income attributable to Cinemark Holdings, Inc.	\$ 146,120	\$ 130,557	\$ 168,949
Earnings allocated to participating share-based awards ⁽¹⁾	(1,399)	(1,458)	(2,061)
Net income attributable to common stockholders	<u>\$ 144,721</u>	<u>\$ 129,099</u>	<u>\$ 166,888</u>
Denominator (shares in thousands):			
Basic weighted average common stock outstanding	111,565	112,736	113,216
Common equivalent shares for stock options	213	41	36
Common equivalent shares for restricted stock units	373	447	572
Diluted	<u>112,151</u>	<u>113,224</u>	<u>113,824</u>
Basic earnings per share attributable to common stockholders	<u>\$ 1.30</u>	<u>\$ 1.15</u>	<u>\$ 1.47</u>
Diluted earnings per share attributable to common stockholders	<u>\$ 1.29</u>	<u>\$ 1.14</u>	<u>\$ 1.47</u>

⁽¹⁾ For the years ended December 31, 2010, 2011 and 2012, a weighted average of approximately 1,076 shares, 1,274 shares and 1,406 shares of unvested restricted stock, respectively, are considered participating securities.

4. DIVIDENDS

In August 2007, the Company initiated a quarterly dividend policy, which was amended in November 2010. Below is a summary of dividends declared for the fiscal periods indicated.

Date Declared	Date of Record	Date Paid	Amount per Common Share ⁽²⁾	Total Dividends ⁽¹⁾
02/25/10	03/05/10	03/19/10	\$0.18	\$20,104
05/13/10	06/04/10	06/18/10	\$0.18	20,313
07/29/10	08/17/10	09/01/10	\$0.18	20,519
11/02/10	11/22/10	12/07/10	\$0.21	24,201
Total — Year ended December 31, 2010				<u>\$85,137</u>
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>

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- ⁽¹⁾ Of the dividends recorded during 2010, 2011 and 2012, \$635, \$684 and \$894, respectively, were related to outstanding restricted stock units and will not be paid until such units vest. See Notes 19 and 20.
- ⁽²⁾ Beginning with the dividend declared on November 2, 2010, the Company's board of directors raised the quarterly dividend to \$0.21 per common share.

5. ACQUISITIONS AND DISPOSITIONS

Acquisition of Rave Theatres

During November 2012, the Company entered into an asset purchase agreement with Rave Real Property Holdco, LLC and certain of its subsidiaries, Rave Cinemas, LLC and RC Processing, LLC (collectively "Rave"), pursuant to which the Company will acquire 32 theatres with 483 screens located in 12 states. The estimated purchase price is approximately \$240,000. The purchase price, the amount of which is subject to certain closing date adjustments, will consist of cash consideration and the assumption of certain liabilities. The transaction is expected to close during the first quarter of 2013, subject to the satisfaction of customary closing conditions for transactions of this type, including Department of Justice or Federal Trade Commission antitrust approval.

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 subject to review by the Argentina Comisión Nacional de Defensa de la Competencia ("CNDC").

Canada Dispositions

During November 2010, the Company sold its one theatre in Canada for approximately \$6,320 in cash proceeds and recorded a gain on sale of assets and other of approximately \$7,025, which also reflected the write-off of a deferred rent liability related to the theatre.

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During November 2010, the Company also sold its interest in a profit sharing agreement related to a previously sold Canadian property. The Company received proceeds of approximately \$8,493 and recorded a gain on sale of assets and other.

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 2010, 2011 and 2012, the annual payment per digital screen was nine hundred twenty-six dollars, nine hundred seventy-two dollars and one thousand twenty-one 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 24 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.

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

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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 (loss) 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.

During March 2010, NCM performed its annual common unit adjustment calculation under the Common Unit Adjustment Agreement. As a result of the calculation, the Company received an additional 1,757,548 common units of NCM, each of which is convertible into one share of NCM, Inc. common stock. The Company recorded the additional common units received at fair value as part of its Tranche 2 Investment with a corresponding adjustment to deferred revenue of \$30,683. Subsequent to the annual common unit adjustment discussed above, in May 2010, one of NCM's other founding members completed an acquisition of another theatre circuit that required an extraordinary common unit adjustment calculation by NCM in accordance with the Common Unit Adjustment Agreement. As a result of this extraordinary common unit adjustment, the founding member was granted additional common units of NCM, which resulted in dilution of the Company's ownership interest in NCM. The Company recognized a change of interest gain of approximately \$271 during the year ended December 31, 2010 as a result of this extraordinary common unit adjustment, which is reflected in (gain) loss on sale of assets and other on the consolidated statement of income.

During March 2011, NCM performed its annual common unit adjustment calculation under the Common Unit Adjustment Agreement. As a result of the calculation, the Company received an additional 549,417 common units of NCM, each of which is convertible into one share of NCM, Inc. common stock. The Company recorded the additional common units received at fair value as part of its Tranche 2 Investment with a corresponding adjustment to deferred revenue of approximately \$9,302.

During March 2012, NCM performed its annual common unit adjustment calculation under the Common Unit Adjustment Agreement. As a result of the calculation, the Company received an additional 598,724 common units of NCM, each of which is convertible into one share of NCM, Inc. common stock. The Company recorded the additional common units received at fair value as part of its Tranche 2 Investment with a corresponding adjustment to deferred revenue of approximately \$9,137.

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As of December 31, 2012, the Company owned a total of 18,094,644 common units of NCM, which represented an approximate 16% 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 \$255,677 as of December 31, 2012, using NCMI's stock price as of December 31, 2012 of \$14.13 per share.

Summary of Activity with NCM

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

	<u>Investment in NCM</u>	<u>Deferred Revenue</u>	<u>Distributions from NCM</u>	<u>Equity in Earnings</u>	<u>Other Revenue</u>	<u>Cash Received</u>
Balance as of January 1, 2010	\$ 34,232	\$ (203,006)				
Receipt of common units due to annual common unit adjustment	\$ 30,683	\$ (30,683)	\$ —	\$ —	\$ —	\$ —
Change of interest gain due to extraordinary common unit adjustment ⁽²⁾	271	—	—	—	—	—
Revenues earned under ESA ⁽¹⁾	—	—	—	—	(5,033)	5,033
Receipt of excess cash distributions	(4,753)	—	(19,616)	—	—	24,369
Receipt under tax receivable agreement	(520)	—	(3,742)	—	—	4,262
Equity in earnings	4,463	—	—	(4,463)	—	—
Amortization of deferred revenue	—	3,116	—	—	(3,116)	—
Balance as of and for the period ended December 31, 2010	<u>\$64,376</u>	<u>\$ (230,573)</u>	<u>\$ (23,358)</u>	<u>\$ (4,463)</u>	<u>\$ (8,149)</u>	<u>\$ 33,664</u>
Receipt of common units due to annual common unit adjustment	\$ 9,302	\$ (9,302)	\$ —	\$ —	\$ —	\$ —
Revenues earned under ESA ⁽¹⁾	—	—	—	—	(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>\$ 37,102</u>
Receipt of common units due to annual common unit adjustment	\$ 9,137	\$ (9,137)	\$ —	\$ —	\$ —	\$ —
Revenues earned under ESA ⁽¹⁾	—	—	—	—	(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>\$ 35,394</u>

⁽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 \$10,156, \$10,733 and \$11,063 for the years ended December 31, 2010, 2011 and 2012, respectively.

⁽²⁾ Change in interest gain is included in (gain) loss on sale of assets and other on the consolidated statement of income.

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The tables below present summary financial information for NCM for the periods indicated (information for the year ended December 28, 2012 was not yet available):

	Year Ended		
	December 31, 2009	December 30, 2010	December 29, 2011
Gross revenues	\$ 380,667	\$ 427,475	\$ 435,434
Operating income	\$ 168,146	\$ 190,559	\$ 193,716
Net income	\$ 128,531	\$ 139,541	\$ 134,524

	As of	
	December 30, 2010	December 29, 2011
Total assets	\$ 425,972	\$ 421,442
Total liabilities	\$ 932,549	\$ 948,938

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 at a fair value of \$16,380 to DCIP, which DCIP then contributed to Kasima. The net book value of the contributed equipment was approximately \$18,090, and as a result, the Company recorded a loss of approximately \$1,710, which is reflected in (gain) loss on sale of assets and other on the consolidated statement of income for the year ended December 31, 2010. During April 2010, the Company sold additional U.S. digital projection systems with a net book value of approximately \$1,520 to Kasima for approximately \$1,197, resulting in an additional loss of approximately \$323, which is reflected in (gain) loss on sale of assets and other on the consolidated statement of income for the year ended December 31, 2010. During 2011, the Company sold additional U.S. digital projection systems with a net book value of approximately \$3,777 to DCIP for approximately \$2,739, resulting in a loss of approximately \$1,038, which is reflected in (gain) loss on sale of assets and other on the consolidated statement of income for the year ended December 31, 2011.

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, 2012, 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, 2010 through December 31, 2012:

Balance as of January 1, 2010	\$ 640
Cash contributions	2,813
Equipment contributions, at fair value	16,380
Distributions received	(1,068)
Equity in losses	(7,927)
Balance as of December 31, 2010	\$ 10,838
Cash contributions	1,471
Equity in income	489
Balance as of December 31, 2011	\$ 12,798
Cash contributions	1,325
Equity in income	8,889
Balance as of December 31, 2012	<u>\$ 23,012</u>

Below is summary financial information for DCIP as of and for the years ended December 31, 2010 and 2011. (Financial information for the year ended December 31, 2012 is not yet available.)

	<u>Year ended December 31,</u>	
	<u>2010</u>	<u>2011</u>
Net operating revenue	\$ 32,396	\$ 113,424
Operating income	\$ 12,817	\$ 70,508
Net loss	\$ (24,461)	\$ (2,510)

	<u>As of</u>	
	<u>December 31, 2010</u>	<u>December 31, 2011</u>
Total assets	\$ 532,133	\$ 1,087,782
Total liabilities	\$ 468,191	\$ 997,735

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, 2012, the Company had 3,515 digital projection systems being leased under the master equipment lease agreement with Kasima. The Company recorded equipment lease expense of approximately \$1,354, \$5,332 and \$7,802 during the years ended December 31, 2010, 2011 and 2012, respectively, which is included in utilities and other costs on the consolidated statements of income.

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, the Company began

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accelerating the depreciation of these existing 35 millimeter projection systems. The Company recorded depreciation expense of approximately \$9,423 and \$10,604 on its domestic 35 millimeter projection systems during the years ended December 31, 2010 and 2011. The Company's domestic 35 millimeter projection systems were fully depreciated as of December 31, 2011.

8. INVESTMENT IN REALD

The Company licenses 3-D systems from 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, the Company earned a total of 1,085,828 options to purchase shares of common stock in RealD. Upon vesting in these options, the Company recorded a total investment in RealD of approximately \$18,909, which represented the estimated aggregate fair value of the options, with an offset to deferred lease incentive liability. The fair value of the RealD options in which the company vested during the year ended December 31, 2010, as discussed above, was determined using the quoted market price of RealD's stock adjusted for the lock-up period to which the Company was subject until January 2011, which fell under Level 2 of the U.S. GAAP fair value hierarchy as defined by ASC Topic 820-10-35.

During January, February and March 2011, the Company vested in an additional 136,952 RealD options in the aggregate by reaching additional target levels, as outlined in the license agreement. Upon vesting in these additional options, the Company recorded an increase in its investment in RealD and its deferred lease incentive liability of approximately \$3,402, which represented the estimated fair value of the RealD options. The fair value measurements were based upon RealD's quoted stock prices on the dates of vesting. These fair value measurements fall under Level 1 of the U.S. GAAP fair value hierarchy as defined by ASC Topic 820-10-35.

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. The license agreement has a remaining term of approximately six 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, 2012, the Company owned 1,222,780 shares in RealD, with an estimated fair value of \$13,707. The fair value of the RealD shares was determined based upon the quoted price of RealD's common stock on December 31, 2012, 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, 2010, 2011 and 2012, the Company recorded a pre-tax unrealized holding gain (loss) of approximately \$9,084, \$(21,694) and \$3,998, 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 2010 through December 31, 2012:

Balance as of January 1, 2010	\$ —
Fair value of options earned	18,909
Unrealized holding gain	<u>9,084</u>
Balance as of December 31, 2010	\$ 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	<u>\$ 13,707</u>

9. SHARE EXCHANGES WITH AND PURCHASES OF NONCONTROLLING INTERESTS

During April 2010, the Company's partners in Colombia (the "Colombian Partners") exercised an option available to them under an Exchange Option Agreement dated April 9, 2007 between the Company and the Colombian Partners. Under this option, which was contingent upon completion of an initial public offering of common stock by the Company, the Colombian Partners were entitled to exchange their shares in Cinemark Colombia S.A. for shares of the Company's common stock (the "Colombia Share Exchange"). The number of shares to be exchanged was determined based on the Company's equity value and the equity value of the Colombian Partners' interest in Cinemark Colombia S.A., both of which are defined in the Exchange Option Agreement. As a result of the Colombia Share Exchange, on June 14, 2010, the Company issued 1,112,723 shares of its common stock to the Colombian Partners. The increase in the Company's ownership interest in its Colombian subsidiary was accounted for as an equity transaction. The Company recorded an increase in additional-paid-in-capital of approximately \$6,951, which represented the book value of the Colombian partners' noncontrolling interest account of approximately \$5,865 plus the Colombian partners' share of accumulated other comprehensive loss of approximately \$1,086. As a result of this transaction, the Company owns 100% of the shares in Cinemark Colombia S.A.

During November 2010, the Company purchased its noncontrolling interests' 20% share of Cinemark Panama S.A. ("Cinemark Panama") for approximately \$888 in cash. The transaction was accounted for as an equity transaction in accordance with ASC Topic 810-10-45-23. The book value of Cinemark Panama's noncontrolling interest was approximately \$498, therefore the Company recorded an adjustment to additional paid-in-capital of approximately \$390. As a result of the transaction, the Company owns 100% of the shares in Cinemark Panama.

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.

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10. GOODWILL AND OTHER INTANGIBLE ASSETS — NET

The Company's goodwill was as follows:

	U.S. Operating Segment	International Operating Segment	Total
Balance at January 1, 2011 ⁽¹⁾	\$ 948,026	\$ 174,945	\$ 1,122,971
Acquisition of ten theatres in Argentina (see Note 5)	—	43,018	43,018
Foreign currency translation adjustments	—	(15,352)	(15,352)
Balance at December 31, 2011 ⁽¹⁾	\$ 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 ⁽¹⁾	<u>\$ 956,997</u>	<u>\$ 193,814</u>	<u>\$ 1,150,811</u>

⁽¹⁾ 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:

	January 1, 2011	Additions (2)	Amortization	Other ⁽¹⁾	December 31, 2011
Intangible assets with finite lives:					
Gross carrying amount	\$ 64,319	\$ 14,835	\$ —	\$ (4,773)	\$ 74,381
Accumulated amortization	(46,185)	—	(4,579)	3,451	(47,313)
Total net intangible assets with finite lives	18,134	14,835	(4,579)	(1,322)	27,068
Intangible assets with indefinite lives:					
Tradename	311,070	—	—	(1,231)	309,839
Total intangible assets — net	<u>\$ 329,204</u>	<u>\$ 14,835</u>	<u>\$ (4,579)</u>	<u>\$ (2,553)</u>	<u>\$ 336,907</u>

	December 31, 2011	Amortization	Other ⁽¹⁾	December 31, 2012
Intangible assets with finite lives:				
Gross carrying amount	\$ 74,381	\$ —	\$ (2,460)	\$ 71,921
Accumulated amortization	(47,313)	(4,611)	570	(51,354)
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>

⁽¹⁾ Activity for 2011 includes the write-off of approximately \$549 for a vendor contract in Brazil that was terminated and foreign currency translation adjustments. Activity for 2012 consists of the write off of favorable leases for theatres that were closed and foreign currency translation adjustments.

⁽²⁾ See Note 5.

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

For the year ended December 31, 2013	\$ 4,199
For the year ended December 31, 2014	3,644
For the year ended December 31, 2015	3,351
For the year ended December 31, 2016	3,128
For the year ended December 31, 2017	2,498
Thereafter	3,747
Total	<u>\$20,567</u>

11. 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,		
	2010	2011	2012
United States theatre properties	\$ 5,166	\$3,635	\$2,693
International theatre properties	5,668	3,398	338
Subtotal	\$ 10,834	\$ 7,033	\$ 3,031
Intangible assets (see Note 10)	1,527	—	—
Equity investment	177	—	—
Impairment of long-lived assets	<u>\$ 12,538</u>	<u>\$ 7,033</u>	<u>\$ 3,031</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, or adverse changes in the development or the conditions of the areas surrounding the theatre. As of December 31, 2012, the estimated aggregate fair value of the long-lived assets impaired during the year ended December 31, 2012 was approximately \$3,876.

12. DEFERRED CHARGES AND OTHER ASSETS — NET

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

	December 31,	
	2011	2012
Debt issue costs, net of accumulated amortization	\$ 26,870	\$ 40,520
Long-term prepaid rents	15,778	14,958
Construction related deposits	6,463	11,427
Lease deposits	2,208	4,039
Equipment to be placed in service	10,495	22,767
Other	2,166	8,333
Total	<u>\$ 63,980</u>	<u>\$ 102,044</u>

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During the year ended December 31, 2012, the Company paid debt issue costs of \$18,453 primarily related to the issuance of its 5.125% senior notes and the amendment and restatement of its senior secured credit facility. See Note 13 for discussion of long term debt activity.

13. LONG-TERM DEBT

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

	December 31,	
	2011	2012
Cinemark USA, Inc. term loan	\$ 905,887	\$ 700,000
Cinemark USA, Inc. 8.625% senior notes due 2019 ⁽¹⁾	460,530	461,464
Cinemark USA, Inc. 5.125% senior notes due 2022	—	400,000
Cinemark USA, Inc. 7.375% senior subordinated notes due 2021	200,000	200,000
Hoyts General Cinema (Argentina) bank loan due 2013	5,804	2,546
Total long-term debt	1,572,221	1,764,010
Less current portion	12,145	9,546
Long-term debt, less current portion	<u>\$1,560,076</u>	<u>\$1,754,464</u>

⁽¹⁾ Includes the \$470,000 aggregate principal amount of the 8.625% senior notes net of the unamortized discount of \$9,470 and \$8,536 at December 31, 2011 and 2012, respectively.

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, also discussed below. 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, 2012, 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

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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 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, 2012, Cinemark USA, Inc. could have distributed up to approximately \$1,409,000 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, 2012, there was \$700,000 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, 2012 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 are expected to be 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 in connection with the issuance during the year ended December 31, 2012.

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

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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, 2012, Cinemark USA, Inc. could have distributed up to approximately \$1,118,500 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, 2012 was 5.6 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.

Under a registration rights agreement entered into in conjunction with the issuance of the 5.125% Senior Notes, the Company and its guarantor subsidiaries are obligated to use its commercially reasonable best efforts to file a registration statement with the Securities and Exchange Commission, or the Commission, on or prior to 120 days from the issuance date, pursuant to which the Company will offer to exchange the 5.125% Senior Notes for substantially identical notes registered under the Securities Act of 1933, as amended, that will not contain terms restricting the transfer thereof or providing for registration rights. The Company will use its commercially reasonable best efforts to have the registration statement declared effective by the Commission on or prior to 210 days from the issuance date, or the Effective Date. The Company will use its commercially reasonable best efforts to issue on the earliest practicable date after the Effective Date, but not later than 30 days thereafter, exchange registered 5.125% Senior Notes in exchange for all 5.125% Senior Notes tendered prior thereto in the exchange offer. If the Company is obligated to file a shelf registration statement, the Company will use its commercially reasonable best efforts to file the shelf registration statement with the Commission on or prior to 30 days after such filing obligation arises (and in any event within 240 days after the closing of the 5.125% Senior Notes offering) and to cause the shelf registration statement to be declared effective by the Commission on or prior to 210 days after such obligation arises. The Company will use its commercially reasonable best efforts to keep the shelf registration statement effective for a period of one year after the closing of the 5.125% Senior Notes offering, subject to certain exceptions.

If (a) the Company fails to file the registration statement on or before the date specified, (b) if such registration statement is not declared effective by the Commission on or prior to the date specified for such

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effectiveness, (c) if the Company fails to consummate the exchange offer within 30 business days of the Effective Date with respect to the exchange offer registration statement or (d) if the date the shelf registration statement is declared effective by the Commission or the exchange offer registration statement thereafter ceases to be effective or usable during the periods specified in the registration rights agreement without being succeeded within two business days by a post-effective amendment to such registration statement that cures such failure and that is itself immediately declared effective (each such event a "Registration Default"), the Company will pay additional interest to each holder of the 5.125% Senior Notes. Such additional interest, with respect to the first 90-day period immediately following the occurrence of any such Registration Default, shall equal an increase in the annual interest rate on the notes by 0.5% per annum.

The amount of the additional interest will increase by an additional 0.5% per annum with respect to each subsequent 90-day period relating to such Registration Default until all Registration Defaults have been cured, up to a maximum amount of additional interest for all Registration Defaults of 1.0% per annum. The 5.125% Senior Notes will not accrue additional interest from and after the second anniversary of the closing of the 5.125% Senior Notes offering even if the Company is not in compliance with its obligations under the registration rights agreement. The receipt of additional interest shall be the sole remedy available to holders of 5.125% Senior Notes as a result of one or more Registration Defaults. Following the cure of all Registration Defaults, the accrual of additional interest will cease.

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.

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, 2012, Cinemark USA, Inc. could have distributed up to approximately \$1,107,400 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

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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, 2012 was 5.5 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 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, 2012.

8.625% Senior Notes

On June 29, 2009, Cinemark USA, Inc. issued \$470,000 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 \$11,468, 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. Interest on the 8.625% Senior Notes is payable on June 15 and December 15 of each year. The 8.625% Senior Notes mature on June 15, 2019. The original issue discount is being amortized on the effective interest method over the term of the 8.625% Senior Notes. As of December 31, 2012, the carrying value of the 8.625% Senior Notes was \$461,464.

Cinemark USA, Inc. filed a registration statement with the Securities and Exchange Commission on September 24, 2009 pursuant to which Cinemark USA, Inc. offered to exchange the 8.625% Senior Notes for substantially similar registered 8.625% Senior Notes. The registration statement became effective and the notes were exchanged on December 17, 2009. The registered 8.625% Senior Notes, issued in the exchange, do not have transfer restrictions.

The 8.625% 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 8.625% 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 8.625% 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 8.625% 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 8.625% Senior Notes.

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The indenture to the 8.625% Senior Notes contains covenants that limit, among other things, the ability of Cinemark USA, Inc. and certain of its subsidiaries to (1) consummate specified asset sales, (2) make investments or other restricted payments, including paying dividends, making other distributions or repurchasing subordinated debt or equity, (3) incur additional indebtedness and issue preferred stock, (4) enter into transactions with affiliates, (5) enter new lines of business, (6) merge or consolidate with, or sell all or substantially all of its assets to, another person and (7) create liens. As of December 31, 2012, Cinemark USA, Inc. could have distributed up to approximately \$1,060,200 to its parent company and sole stockholder, Cinemark Holdings, Inc., under the terms of the indenture to the 8.625% 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 8.625% 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. Certain asset dispositions are considered triggering events that may require Cinemark USA, Inc. to use the proceeds from those asset dispositions to make an offer to purchase the notes at 100% of their principal amount, plus accrued and unpaid interest, if any, to the date of repurchase if such proceeds are not otherwise used within 365 days as described in the indenture. The indenture governing the 8.625% 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, 2012 was 5.5 to 1.

Prior to June 15, 2014, Cinemark USA, Inc. may redeem all or any part of the 8.625% Senior Notes at its option at 100% of the principal amount plus a make-whole premium. After June 15, 2014, Cinemark USA, Inc. may redeem the 8.625% Senior Notes in whole or in part at redemption prices described in the senior notes. In addition, Cinemark USA, Inc. may redeem up to 35% of the aggregate principal amount of the 8.625% Senior Notes from the net proceeds of certain equity offerings at the redemption price set forth in the 8.625% Senior Notes.

Former Senior Secured Credit Facility

On October 5, 2006, in connection with the Century Acquisition, Cinemark USA, Inc. entered into its former senior secured credit facility that provided for a seven year \$1,120,000 term loan and a six year \$150,000 revolving credit line. On March 2, 2010, the Company completed an amendment and extension to this former senior secured credit facility to primarily extend the maturities of the facility and make certain other modifications. Approximately \$924,375 of the Company's then remaining outstanding \$1,083,600 term loan debt was extended from an original maturity date of October 2013 to a maturity date of April 2016. The then remaining term loan debt of \$159,225 that was not extended continued to have a maturity date of October 2013. On June 3, 2011, the Company prepaid the remaining \$157,235 of its unextended term loan debt utilizing a portion of the proceeds from the issuance of the Cinemark USA, Inc. 7.375% senior subordinated notes discussed above. There were no prepayment penalties incurred upon the prepayment of the term loan debt. Subsequent to the prepayment, the quarterly payments due on the term loan were approximately \$2,311 per quarter through March 2016 with the remaining principal amount of approximately \$866,602 due April 30, 2016. The prepayment did not impact the interest rate applicable to the remaining portion of the term loan debt, which accrued interest at Cinemark USA, Inc.'s option at: (A) the base rate equal to the higher of (1) the prime lending rate as set forth on the British Banking Association Telerate page 5, or (2) the federal funds effective rate from time to time plus 0.50%, plus a 2.25% margin per annum, or (B) a "eurodollar rate" plus a 3.25% margin per annum.

The prepayment did not impact the interest rate applicable to or the maturity of the Company's revolving credit line. The maturity date of \$73,500 of Cinemark USA, Inc.'s \$150,000 revolving credit line had been

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extended from October 2012 to March 2015. The maturity date of the remaining \$76,500 of Cinemark USA, Inc.'s revolving credit line did not change and remained October 2012. The interest rate on the original revolving credit line accrued interest, at Cinemark USA, Inc.'s option, at: (A) a base rate equal to the higher of (1) the prime lending rate as set forth on the British Banking Association Telerate page 5 and (2) the federal funds effective rate from time to time plus 0.50%, plus a margin that ranges from 0.50% to 1.00% per annum, or (B) a "eurodollar rate" plus a margin that ranged from 1.50% to 2.00% per annum. The interest rate on the extended revolving credit line accrued interest, at Cinemark USA, Inc.'s option at: (A) the base rate equal to the higher of (1) the prime lending rate as set forth on the British Banking Association Telerate page 5, or (2) the federal funds effective rate from time to time plus 0.50%, plus a margin that ranges from 1.75% to 2.0% per annum, or (B) a "eurodollar rate" plus a margin that ranged from 2.75% to 3.0% per annum. The margin of the revolving credit line was determined by the consolidated net senior secured leverage ratio as defined in the Former Senior Secured Credit Facility.

As a result of the prepayment made in June 2011, the Company wrote-off approximately \$2,183 in unamortized debt issue costs related to the unextended portion of term loan debt that was prepaid. In addition, the Company determined that a portion of the quarterly interest payments hedged by two of its current interest rate swap agreements under cash flow hedges and the quarterly interest payments related to its previously terminated interest rate swap agreement were probable not to occur and therefore reclassified approximately \$2,760 of its accumulated other comprehensive loss related to these cash flow hedges to earnings, as a component of loss on early retirement of debt. These write-offs, combined with related fees, are reflected in loss on early retirement of debt for the year ended December 31, 2011.

On December 18, 2012, the remaining outstanding term loan of \$898,955 was paid in full with proceeds from the Amended Senior Secured Credit Facility combined with a portion of the proceeds from the 5.125% Senior Notes issuance, both of which are discussed above.

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 \$1,764,010 and \$1,572,221 as of December 31, 2012 and 2011, respectively. The fair value of the Company's long term debt was \$1,851,246 and \$1,622,286 as of December 31, 2012 and 2011, respectively.

Covenant Compliance and Debt Maturity

As of December 31, 2012, the Company believes it was in full compliance with all agreements, including related covenants, governing its outstanding debt. The Company's long-term debt at December 31, 2012 matures as follows:

2013	9,546
2014	7,000
2015	7,000
2016	7,000
2017	7,000
Thereafter	1,735,000 ⁽¹⁾
Total	<u>1,772,546</u>

⁽¹⁾ Reflects the aggregate principal amount at maturity of the 8.625% senior notes before the original issue discount of \$8,536.

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14. INTEREST RATE SWAP AGREEMENTS

The Company is currently a party to three interest rate swap agreements that qualify for cash flow hedge accounting. No premium or discount was incurred upon the Company entering into any of its interest rate swap agreements because the pay rates and receive rates on the interest rate swap agreements represented prevailing rates for each counterparty at the time each of the interest rate swap agreements was consummated. 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. For the years ended December 31, 2010, 2011 and 2012, the Company reclassified \$11,771, \$15,929 and \$12,979, respectively, from accumulated other comprehensive loss into 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.

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, 2012:

<u>Nominal Amount</u>	<u>Effective Date</u>	<u>Pay Rate</u>	<u>Receive Rate</u>	<u>Expiration Date</u>	<u>Current Liability ⁽¹⁾</u>	<u>Long-Term Liability ⁽²⁾</u>	<u>Estimated Total Fair Value at December 31, 2012</u>
\$175,000	December 2010	1.3975%	1-Month LIBOR	September 2015	\$ 1,959	\$ 2,991	\$ 4,950
\$175,000	December 2010	1.4000%	1-Month LIBOR	September 2015	1,978	3,004	4,982
\$100,000	November 2011	1.7150%	1-Month LIBOR	April 2016	1,566	2,694	4,260
<u>\$450,000</u>					<u>\$ 5,503</u>	<u>\$ 8,689</u>	<u>\$ 14,192</u>

⁽¹⁾ Included in accrued other current liabilities on the consolidated balance sheet as of December 31, 2012.

⁽²⁾ Included in other long-term liabilities on the consolidated balance sheet as of December 31, 2012.

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 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 \$4,633, \$4,236 and \$2,470 to interest expense during the years ended December 31, 2010, 2011 and 2012, respectively.

See Note 15 for additional information about the Company's fair value measurements related to its interest rate swap agreements.

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15. 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, 2012:

Description	Carrying Value	Fair Value		
		Level 1	Level 2	Level 3
Interest rate swap liabilities — current (see Note 14)	\$ (5,503)	\$ —	\$ —	\$ (5,503)
Interest rate swap liabilities — long term (see Note 14)	\$ (8,689)	\$ —	\$ —	\$ (8,689)
Investment in RealD (see Note 8)	\$ 13,707	\$ 13,707	\$ —	\$ —

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, 2011:

Description	Carrying Value	Fair Value		
		Level 1	Level 2	Level 3
Interest rate swap liabilities — current (see Note 14)	\$ (9,979)	\$ —	\$ —	\$ (9,979)
Interest rate swap liabilities — long term (see Note 14)	\$ (6,597)	\$ —	\$ —	\$ (6,597)
Investment in RealD (see Note 8)	\$ 9,709	\$ 9,709	\$ —	\$ —

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

	Liabilities		Assets	
	2012	2011	2012	2011
Beginning balances — January 1	\$ 16,576	\$ 15,970	\$ —	\$ 8,955
Total gain (loss) included in accumulated other comprehensive loss	(1,576)	1,736	—	(8,955)
Total gain included in earnings	(808)	(1,130)	—	—
Ending balances — December 31	\$ 14,192	\$ 16,576	\$ —	\$ —

The Company also uses fair value measurements on a nonrecurring basis in the impairment evaluations of its long-lived assets (see Note 1 and Note 11 for further discussions). There were no changes in valuation techniques during the period. The fair value measurement for the Company's investment in RealD transferred from Level 2 to Level 1 during the year ended December 31, 2011. Previous fair value estimates for the investment were based on RealD's quoted stock price, discounted to reflect the impact of a lock-up period to which the Company was subject. The lock-up period expired during January 2011; therefore, the fair value

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estimates for the investment subsequent to January 2011 were based on RealD's stock price with no adjustments. See Note 8 for more information on the Company's investment in RealD. There were no transfers in or out of Level 3 during the year ended December 31, 2012.

16. FOREIGN CURRENCY TRANSLATION

The accumulated other comprehensive loss account in stockholders' equity of \$23,682 and \$37,698 at December 31, 2011 and 2012, respectively, includes the cumulative foreign currency losses of \$11,325 and \$31,330, 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.

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	\$ 327,679	\$ (28,000)
Mexico	14.00	12.39	\$ 121,935	(11,818)
Argentina	4.31	3.98	\$ 128,524	(4,196)
Colombia	1,950.0	1,950.0	\$ 34,568	153
Chile	520.7	473.2	\$ 40,084	(3,324)
All other				1,127
				<u>\$ (46,058)</u>

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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 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 9.

17. INVESTMENTS IN AND ADVANCES TO AFFILIATES

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

	December 31,	
	2011	2012
Cinemark — Core Pacific, Ltd. (Taiwan) — investment, at cost — 14% interest	\$ 1,383	\$ 1,383
Other	160	99
Total	\$ 1,543	\$ 1,482

18. NONCONTROLLING INTERESTS IN SUBSIDIARIES

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

	December 31,	
	2011	2012
Cinemark Partners II — 49.2% interest (in one theatre)	\$ 7,864	\$ 7,701
Laredo Theatres — 25% interest (in two theatres)	372	913
Greeley Ltd. — 49.0% interest (in one theatre)	695	622
Others	1,831	1,683
Total	\$ 10,762	\$ 10,919

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

	Years ended December 31,		
	2010	2011	2012
Net income attributable to Cinemark Holdings, Inc.	\$ 146,120	\$ 130,557	\$ 168,949
Transfers from noncontrolling interests			
Increase in Cinemark Holdings, Inc. common stock and additional paid-in-capital for the Colombia Share Exchange (see Note 9)	\$ 6,951	\$ —	\$ —
Decrease in Cinemark Holdings, Inc. additional paid-in-capital for the buyout of Panama noncontrolling interests (see Note 9)	(390)	—	—
Decrease in Cinemark Holdings, Inc. additional paid-in-capital for the buyout of Chile noncontrolling interests (see Note 9)	—	(1,402)	—
Net transfers from non-controlling interests	6,561	(1,402)	—
Change from net income attributable to Cinemark Holdings, Inc. and transfers from noncontrolling interests	\$ 152,681	\$ 129,155	\$ 168,949

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19. CAPITAL STOCK

Common Stock — Common stockholders are entitled to vote on all matters submitted to a vote of the Company's stockholders. Subject to the rights of holders of any then outstanding shares of the Company's preferred stock, the Company's common stockholders are entitled to any dividends that may be declared by the board of directors. The shares of the Company's common stock are not subject to any redemption provisions. The Company has no issued and outstanding shares of preferred stock.

The Company's ability to pay dividends is effectively limited by its status as a holding company and the terms of its indentures and its subsidiary's 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 13. 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.

During April 2010, the Company's partners in Colombia (the "Colombian Partners") exercised an option available to them under an Exchange Option Agreement dated April 9, 2007 between the Company and the Colombian Partners. Under this option, which was contingent upon completion of an initial public offering of common stock by the Company, the Colombian Partners were entitled to exchange their shares in Cinemark Colombia S.A. for shares of the Company's common stock. The number of shares to be exchanged was determined based on the Company's equity value and the equity value of the Colombian Partners' interest in Cinemark Colombia S.A., both of which are defined in the Exchange Option Agreement. As a result of this exchange, on June 14, 2010, the Company issued 1,112,723 shares of its common stock to the Colombian Partners. See Note 9.

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, 2011 and 2012:

	Number of Treasury Shares	Cost
Balance at January 1, 2011	3,359,859	\$ 44,725
Restricted stock forfeitures ⁽¹⁾	1,920	—
Restricted stock withholdings ⁽²⁾	25,200	494
Restricted stock awards canceled ⁽¹⁾	4,613	—
Balance at December 31, 2011	3,391,592	\$45,219
Restricted stock forfeitures ⁽¹⁾	14,423	—
Restricted stock withholdings ⁽²⁾	147,070	3,263
Balance at December 31, 2012	3,553,085	\$ 48,482

⁽¹⁾ 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.

⁽²⁾ 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 \$19.60 to \$22.50 per share.

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As of December 31, 2012, 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, 2010, 2011 and 2012:

	Year Ended December 31, 2010		Year Ended December 31, 2011		Year Ended December 31, 2012		Aggregate Intrinsic Value
	Shares	Weighted Average Exercise Price	Shares	Weighted Average Exercise Price	Shares	Weighted Average Exercise Price	
Outstanding at January 1	1,231,892	\$ 7.63	140,356	\$ 7.63	82,166	\$ 7.63	
Exercised	(1,091,536)	\$ 7.63	(58,190)	\$ 7.63	(60,144)	\$ 7.63	
Outstanding at December 31	140,356	\$ 7.63	82,166	\$ 7.63	22,022	\$ 7.63	\$ 404
Vested options at December 31	140,356	\$ 7.63	82,166	\$ 7.63	22,022	\$ 7.63	\$ 404

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, 2010, 2011 and 2012, was \$9,836, \$699 and \$1,070, respectively. The Company recognized tax benefits of approximately \$2,680, \$238 and \$449 related to the options exercised during the year ended December 31, 2010, 2011 and 2012, respectively.

Options outstanding at December 31, 2012 have an average remaining contractual life of approximately two years.

Restricted Stock — Below is a summary of restricted stock activity for the years ended December 31, 2010, 2011 and 2012:

	Year Ended December 31, 2010		Year Ended December 31, 2011		Year Ended December 31, 2012	
	Shares	Weighted Average Exercise Price	Shares	Weighted Average Exercise Price	Shares	Weighted Average Exercise Price
Outstanding at January 1	764,078	\$ 11.10	1,254,691	\$ 14.60	1,384,390	\$ 16.85
Granted	683,921	\$ 17.94	424,436	\$ 19.45	653,229	\$ 21.70
Vested	(190,589)	\$ 12.63	(288,204)	\$ 10.84	(489,033)	\$ 17.00
Canceled	—	\$ —	(4,613)	\$ 18.35	—	\$ —
Forfeited	(2,719)	\$ 11.03	(1,920)	\$ 14.34	(14,423)	\$ 18.58
Outstanding at December 31	1,254,691	\$ 14.60	1,384,390	\$ 16.85	1,534,163	\$ 18.85

During the year ended December 31, 2012, the Company granted 653,229 shares of restricted stock to directors and employees of the Company. The fair values of the restricted stock granted were determined based on the market values of the Company's common stock on the dates of grant, which ranged from \$21.63 to \$22.97 per share. The Company assumed forfeiture rates ranging from 0% to 5% for the restricted stock awards. Certain of the restricted stock granted to employees vests over three years based on continued service and the remaining restricted stock granted to employees vests over four years based on continued service. The restricted stock granted to the directors vests over one year based on continued service. 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.

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The Company recorded total compensation expense of \$4,928, \$6,591 and \$10,637 related to restricted stock awards during the years ended December 31, 2010, 2011 and 2012, respectively. Upon vesting, the Company receives an income tax deduction. The total fair value of shares vested during the years ended December 31, 2010, 2011 and 2012 was \$3,272, \$5,658 and \$9,702, respectively. The Company recognized tax benefits of approximately \$1,087, \$2,188 and \$4,075 related to shares that vested during the years ended December 2010, 2011 and 2012, respectively.

As of December 31, 2012, the remaining unrecognized compensation expense related to these restricted stock awards was approximately \$18,341. 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, 2010, 2011 and 2012, the Company granted restricted stock units representing 396,429, 153,727 and 152,955 hypothetical shares of common stock, respectively, under the Restated Incentive Plan. The restricted stock units vest based on a combination of financial performance factors and continued service. The financial performance factors are based on an implied equity value concept that determines an internal rate of return (“IRR”) during 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. If the IRR for the three year period is at least 8.5%, which is the threshold, one-third of the restricted stock units vest. If the IRR for the three year period is at least 10.5%, which is the target, two-thirds of the restricted stock units vest. If the IRR for the three year period is at least 12.5%, which is the maximum, 100% of the restricted stock units vest. All payouts of restricted stock units that vest 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 2010, 2011 and 2012 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 \$18.34 to \$21.63 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, 2010, 2011 and 2012 at each of the three levels of financial performance (excluding forfeitures):

	Granted During the Year Ended December 31,					
	2010		2011		2012	
	Number of Shares Vesting	Value at Grant	Number of Shares Vesting	Value at Grant	Number of Shares Vesting	Value at Grant
at IRR of at least 8.5%	132,144	\$ 2,423	51,239	\$ 991	50,981	\$ 1,103
at IRR of at least 10.5%	264,288	\$ 4,847	102,488	\$ 1,983	101,974	\$ 2,206
at IRR of at least 12.5%	396,429	\$ 7,271	153,727	\$ 2,975	152,955	\$ 3,308

During the year ended December 31, 2010, the Compensation Committee of the Company’s board of directors approved a modification of restricted stock unit awards granted to employees during 2008. The Compensation Committee also approved the cancellation and replacement of restricted stock unit awards granted

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to the Company's top five executive officers during 2008. Both the modification and the cancellation and replacement were accounted for as modifications of share based awards. As a result of these modifications, the Company recorded incremental compensation expense of approximately \$435 during the year ended December 31, 2010, which represented the difference between the grant date fair value and the modification date fair value of these awards for the portion of the service period that had been satisfied at the time of the modification. The service period for the modified awards did not change.

During the year ended December 31, 2010, based upon additional information, the Company determined that the 12.5% IRR level would be reached for the 2008 grant and recorded incremental compensation expense of approximately \$823. During the year ended December 31, 2010, based upon additional information, the Company also determined that the 12.5% IRR level was expected to be reached for the 2009 grant and recorded incremental compensation expense of \$377 during the year ended December 31, 2010.

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, 2012, based upon additional information, the Company determined that the 12.5% IRR level was reached for the 2010 grant and recorded incremental compensation expense of approximately \$1,609.

The Company recorded total compensation expense of \$3,424, \$3,101 and \$4,433 related to these restricted stock unit awards during the years ended December 31, 2010, 2011 and 2012, respectively. As of December 31, 2012, the Company had restricted stock units outstanding that represented a total of 994,671 hypothetical shares of common stock, net of actual cumulative forfeitures of 11,608 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, 2012, the remaining unrecognized compensation expense related to the outstanding restricted stock unit awards was \$4,890, which assumes the high-point IRR level will be achieved for the 2009 and 2010 grants and the mid-point IRR level will be achieved for the 2011 and 2012 grants. The weighted average period over which this remaining compensation expense will be recognized is approximately two years.

CINEMARK HOLDINGS, INC. AND SUBSIDIARIES
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20. SUPPLEMENTAL CASH FLOW INFORMATION

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

	Year Ended December 31,		
	2010	2011	2012
Cash paid for interest	\$ 103,047	\$ 113,084	\$ 117,172
Cash paid for income taxes, net of refunds received	\$ 93,435	\$ 29,106	\$ 89,034
Noncash investing and financing activities:			
Change in accounts payable and accrued expenses for the acquisition of theatre properties and equipment ⁽¹⁾	\$ 3,339	\$ 7,349	\$ (13,827)
Theatre properties and equipment acquired under capital lease	\$ 6,934	\$ 6,696	\$ 18,754
Change in fair market values of interest rate swap agreements, net of taxes	\$ 7,170	\$ 4,867	\$ 1,827
Investment in NCM — receipt of common units (See Note 6)	\$ 30,683	\$ 9,302	\$ 9,137
Investment in NCM — change of interest gain (See Note 6)	\$ 271	\$ —	\$ —
Net book value of equipment contributed to DCIP (See Note 7)	\$ 18,090	\$ —	\$ —
Dividends accrued on unvested restricted stock unit awards	\$ (635)	\$ (684)	\$ (894)
Shares issued upon non-cash stock option exercises, at exercise price of \$7.63 per share	\$ 413	\$ —	\$ —
Investment in RealD (See Note 8)	\$ 18,909	\$ 3,402	\$ —
Change in fair market value of available-for-sale securities, net of taxes (See Note 8)	\$ 5,659	\$ (13,566)	\$ 2,499
Issuance of common stock as a result of the Colombia Share Exchange (See Note 9)	\$ 6,951	\$ —	\$ —

⁽¹⁾ Additions to theatre properties and equipment included in accounts payable as of December 31, 2011 and 2012 were \$18,512 and \$4,685, respectively.

21. INCOME TAXES

Income before income taxes consisted of the following:

	Year Ended December 31,		
	2010	2011	2012
Income before income taxes:			
U.S.	\$ 124,335	\$ 114,692	\$ 183,207
Foreign	83,166	90,940	113,611
Total	<u>\$207,501</u>	<u>\$205,632</u>	<u>\$296,818</u>
Current:			
Federal	\$ 35,172	\$ 17,070	\$ 55,399
Foreign	21,933	26,830	53,964
State	9,336	7,099	8,494
Total current expense	<u>66,441</u>	<u>50,999</u>	<u>117,857</u>
Deferred:			
Federal	(143)	22,100	12,096
Foreign	(7,188)	(2,332)	(6,007)
State	(1,272)	2,283	1,452
Total deferred taxes	<u>(8,603)</u>	<u>22,051</u>	<u>7,541</u>
Income taxes	<u>\$ 57,838</u>	<u>\$ 73,050</u>	<u>\$ 125,398</u>

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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,		
	<u>2010</u>	<u>2011</u>	<u>2012</u>
Computed normal tax expense	\$72,625	\$71,972	\$ 103,886
Foreign inflation adjustments	47	(1,587)	(33)
State and local income taxes, net of federal income tax impact	5,195	7,310	7,456
Foreign losses not benefited and other changes in valuation allowance	(5,685)	(676)	(711)
Foreign tax rate differential	(4,798)	(3,321)	(1,545)
Foreign dividends	3,952	4,173	10,576
Changes in uncertain tax positions	(8,080)	396	13,729
Other — net	(5,418)	(5,217)	(7,960)
Income taxes	<u>\$ 57,838</u>	<u>\$ 73,050</u>	<u>\$ 125,398</u>

The Company reinvests the undistributed earnings of its foreign subsidiaries, with the exception of its subsidiary in Ecuador. Accordingly, deferred U.S. federal and state income taxes are provided only on the undistributed earnings of the Company's Ecuador subsidiary. As of December 31, 2012, the cumulative amount of undistributed earnings of the foreign subsidiaries on which the Company has not recognized income taxes was approximately \$339,000. 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.

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

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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, 2011 and 2012 consisted of the following:

	December 31,	
	2011	2012
Deferred liabilities:		
Theatre properties and equipment	\$ 92,466	\$ 96,733
Deferred intercompany sales	12,051	14,551
Intangible asset — other	24,749	23,944
Intangible asset — tradenames	116,333	115,939
Investment in partnerships	98,742	113,199
Total deferred liabilities	<u>344,341</u>	<u>364,366</u>
Deferred assets:		
Deferred lease expenses	23,225	27,255
Theatre properties and equipment	5,910	5,884
Deferred revenue — NCM and Fandango	88,616	90,972
Capital lease obligations	51,211	54,551
Interest rate swap agreements	5,882	3,825
Tax loss carryforwards	10,602	7,700
Alternative minimum tax and other credit carryforwards	7,548	6,405
Other expenses, not currently deductible for tax purposes	23,750	30,724
Total deferred assets	<u>216,744</u>	<u>227,316</u>
Net deferred income tax liability before valuation allowance	127,597	137,050
Valuation allowance against deferred assets	15,443	13,326
Net deferred income tax liability	<u>\$ 143,040</u>	<u>\$ 150,376</u>
Net deferred tax liability — Foreign	\$ 10,757	\$ 2,488
Net deferred tax liability — U.S.	132,283	147,888
Total	<u>\$ 143,040</u>	<u>\$ 150,376</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.

CINEMARK HOLDINGS, INC. AND SUBSIDIARIES
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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, 2010, 2011 and 2012:

	Year Ended December 31,		
	2010	2011	2012
Balance at January 1,	\$ 23,857	\$ 15,197	\$ 18,660
Gross increases — tax positions in prior periods	—	3,153	14,462
Gross decreases — tax positions in prior periods	(1,392)	—	(3,321)
Gross increases — current period tax positions	3,551	3,729	3,672
Gross decreases — current period tax positions	(613)	(633)	—
Settlements	(10,383)	(2,467)	—
Foreign currency translation adjustments	177	(319)	(251)
Balance at December 31,	<u>\$ 15,197</u>	<u>\$ 18,660</u>	<u>\$ 33,222</u>

The Company had \$22,411 and \$34,475 of unrecognized tax benefits, including interest and penalties, as of December 31, 2011 and December 31, 2012, respectively. Of these amounts, \$16,274 and \$30,085 represent the amount of unrecognized tax benefits that if recognized would impact the effective income tax rate for the years ended December 31, 2011 and 2012, respectively. The Company had \$3,751 and \$4,576 accrued for interest and penalties as of December 31, 2011 and 2012, respectively.

The Company and its subsidiaries file income tax returns in the U.S. federal jurisdiction and in certain state and foreign jurisdictions and is 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 2007. The Company is no longer subject to state income tax examinations by tax authorities in its major state jurisdictions for years before 2007. 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, Chile and Mexico. The Company is currently under examination by the Internal Revenue Service for the 2007, 2008 and 2009 tax years. The Company believes that the U.S. Internal Revenue Service and the Mexico audits will be completed within the next twelve months.

22. 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 \$34,466 and \$38,297 at December 31, 2011 and 2012, respectively, has been provided

CINEMARK HOLDINGS, INC. AND SUBSIDIARIES
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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,		
	2010	2011	2012
Fixed rent expense	\$ 186,893	\$ 200,006	\$ 205,770
Contingent rent and other facility lease expenses	68,824	76,272	75,845
Total facility lease expense	<u>\$255,717</u>	<u>\$276,278</u>	<u>\$281,615</u>

Future minimum lease payments under noncancelable operating and capital leases that have initial or remaining terms in excess of one year at December 31, 2012 are due as follows:

	Operating Leases	Capital Leases
2013	\$ 225,814	\$ 25,304
2014	227,238	25,117
2015	222,469	25,299
2016	212,861	25,158
2017	193,672	23,436
Thereafter	807,121	110,934
Total	<u>\$1,889,175</u>	<u>\$235,248</u>
Amounts representing interest payments		85,077
Present value of future minimum payments		\$150,171
Current portion of capital lease obligations		11,064
Capital lease obligations, less current portion		<u>\$139,107</u>

Employment Agreements — The Company has three-year employment agreements with Lee Roy Mitchell, Timothy Warner, Robert Copple, Michael Cavalier, and Rob Carmony that are subject to automatic extensions for a one-year period, unless the employment agreements are terminated. Effective May 25, 2009, the Company entered into an employment agreement with Steve Bunnell that has an initial term of two years subject to an extension for a one year period, unless the agreement is terminated. Effective February 15, 2010, the Company entered into an employment agreement with Valmir Fernandes that has an initial term of three years. The base salaries stipulated in the employment agreements are subject to review during the term of the agreements for increase (but not decrease) each year 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 its Compensation Committee.

On February 15, 2012, the Company's Chief Executive Officer ("CEO"), Alan Stock, announced his retirement. As a result of the retirement, the Company's employment agreement with Mr. Stock was effectively terminated. Mr. Stock served in a transitional role until May 1, 2012 and then became a consultant for the Company for a two-year period that ends April 30, 2014. Mr. Stock has retained his share based awards under their original vesting terms.

Upon Mr. Stock's retirement, the Company appointed Tim Warner as its CEO. Mr. Warner previously served as the Company's President and Chief Operating Officer. In connection with his appointment as the CEO, the Company and Mr. Warner entered into an Amended and Restated Employment Agreement dated as of

CINEMARK HOLDINGS, INC. AND SUBSIDIARIES
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March 30, 2012 (the “Amended and Restated Agreement”). The Amended and Restated Agreement amends and restates the Employment Agreement dated June 16, 2008 by and between the Company and Mr. Warner. The term of the Amended and Restated Agreement goes through April 1, 2014 and may be extended at the Company’s election for an additional one-year period upon six months prior written notice by the Company to Mr. Warner. The base salary stipulated in the Amended and Restated Agreement is subject to review during the term of the agreement for increase (but not decrease) each year by the Company’s Compensation Committee. Mr. Warner is eligible to receive annual cash incentive bonuses upon the Company meeting certain performance targets established by its Compensation Committee and will continue to be eligible to participate in and receive grants of equity incentive awards under the Company’s long-term incentive plan.

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 \$2,311 and \$2,410 were made in 2011 (for plan year 2010) and 2012 (for plan year 2011), respectively. A liability of approximately \$2,500 has been recorded at December 31, 2012 for contribution payments to be made in 2013 (for plan year 2012).

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.

23. 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, Mexico, Argentina, Chile, Colombia, Peru, Ecuador, Honduras, El Salvador, Nicaragua, Costa Rica, Panama and Guatemala. The U.S. segment includes U.S. and Canada operations. (Note that the Company’s only Canadian theatre was sold during November 2010.) 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.

CINEMARK HOLDINGS, INC. AND SUBSIDIARIES
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Below is a breakdown of select financial information by reportable operating segment:

	Year Ended December 31,		
	2010	2011	2012
Revenues:			
U.S.	\$ 1,584,281	\$ 1,593,667	\$ 1,706,511
International	564,240	696,119	777,663
Eliminations	(7,377)	(10,173)	(10,643)
Total revenues	<u>\$ 2,141,144</u>	<u>\$ 2,279,613</u>	<u>\$ 2,473,531</u>

	Year Ended December 31,		
	2010	2011	2012
Adjusted EBITDA:			
U.S.	\$ 363,345	\$ 371,212	\$ 409,860
International	122,575	148,261	179,375
Total Adjusted EBITDA	<u>\$ 485,920</u>	<u>\$ 519,473</u>	<u>\$ 589,235</u>

	Year Ended December 31,	
	2011	2012
Capital Expenditures:		
U.S.	\$ 79,510	\$ 107,323
International	105,309	113,404
Total capital expenditures	<u>\$ 184,819</u>	<u>\$ 220,727</u>

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

	Year Ended December 31,		
	2010	2011	2012
Net income	\$ 149,663	\$ 132,582	\$ 171,420
Add (deduct):			
Income taxes	57,838	73,050	125,398
Interest expense ⁽¹⁾	112,444	123,102	123,665
Loss on early retirement of debt	3	4,945	5,599
Loss on marketable securities — RealD	—	12,610	—
Other income ⁽²⁾	(3,721)	(13,594)	(21,568)
Depreciation and amortization ⁽³⁾	143,508	154,449	147,675
Impairment of long-lived assets	12,538	7,033	3,031
(Gain) loss on sale of assets and other	(431)	8,792	12,168
Deferred lease expenses	3,940	4,155	4,104
Amortization of long-term prepaid rents	1,786	2,657	2,673
Share based awards compensation expense	8,352	9,692	15,070
Adjusted EBITDA	<u>\$ 485,920</u>	<u>\$ 519,473</u>	<u>\$ 589,235</u>

⁽¹⁾ Includes amortization of debt issue costs.

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

⁽³⁾ Includes amortization of favorable/unfavorable leases.

CINEMARK HOLDINGS, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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Financial Information About Geographic Areas

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

	Year Ended December 31,		
	2010	2011	2012
Revenues			
U.S.	\$ 1,584,281	\$ 1,593,667	\$ 1,706,511
Brazil	315,884	358,820	328,136
Other foreign countries	248,356	337,299	449,527
Eliminations	(7,377)	(10,173)	(10,643)
Total	<u>\$ 2,141,144</u>	<u>\$ 2,279,613</u>	<u>\$ 2,473,531</u>
		December 31,	
		2011	2012
Theatres properties and equipment, net			
U.S.		\$ 934,279	\$ 940,922
Brazil		149,294	190,990
Other foreign countries		155,277	173,046
Total		<u>\$ 1,238,850</u>	<u>\$ 1,304,958</u>

24. RELATED PARTY TRANSACTIONS

Prior to March 2010, the Company leased one theatre from Plitt Plaza Joint Venture ("Plitt Plaza") on a month-to-month basis. Plitt Plaza is indirectly owned by Lee Roy Mitchell, the Company's Chairman of the Board, who directly and indirectly owns approximately 9% of the Company's issued and outstanding shares of common stock. The Company closed this theatre during March 2010. The Company recorded \$30 of facility lease and other operating expenses payable to Plitt Plaza joint venture during the year ended December 31, 2010. During the year ended December 31, 2010, the Company recorded approximately \$111 related to the termination of the lease, which is reflected in (gain) loss on sale of assets and other on the consolidated statement of income.

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 \$105, \$476 and \$522 of management fee revenues during the years ended December 31, 2010, 2011 and 2012, respectively. All such amounts are included in the Company's consolidated financial statements with the intercompany amounts eliminated in consolidation.

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, 2010, 2011 and 2012, the aggregate amounts paid to Copper Beech Capital, LLC for the use of the aircraft was approximately \$73, \$86 and \$82, respectively.

CINEMARK HOLDINGS, INC. AND SUBSIDIARIES
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The Company currently leases 19 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 20 leases, 17 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, 2010, 2011 and 2012, the Company paid total rent of approximately \$18,058, \$18,881 and \$18,602, respectively, to Syufy.

25. VALUATION AND QUALIFYING ACCOUNTS

The Company’s valuation allowance for deferred tax assets for the years ended December 31, 2010, 2011 and 2012 were as follows:

	<u>Valuation Allowance for Deferred Tax Assets</u>
Balance at January 1, 2010	\$ 18,228
Additions	3,398
Deductions	<u>(6,201)</u>
Balance at December 31, 2010	\$ 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	<u>\$ 13,326</u>

26. QUARTERLY FINANCIAL INFORMATION (UNAUDITED)

	2011				
	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Full Year
Revenues	\$483,136	\$620,593	\$640,013	\$535,871	\$2,279,613
Operating income	\$ 48,756	\$ 97,001	\$101,310	\$ 61,467	\$ 308,534
Net income attributable to Cinemark Holdings, Inc.	\$ 24,963	\$ 40,411	\$ 46,920	\$ 18,263	\$ 130,557
Net income per share attributable to Cinemark Holdings, Inc.’s common stockholders:					
Basic	\$ 0.22	\$ 0.35	\$ 0.41	\$ 0.16	\$ 1.15
Diluted	\$ 0.22	\$ 0.35	\$ 0.41	\$ 0.16	\$ 1.14
	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

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

In thousands, except share and per share data

27. SUBSEQUENT EVENT — DIVIDEND DECLARATION

On February 12, 2013, the Company's board of directors declared a cash dividend for the fourth quarter of 2012 of \$0.21 per share of common stock payable to stockholders of record on March 4, 2013. The dividend will be paid on March 15, 2013.

28. SUBSEQUENT EVENT — DISPOSITION OF MEXICAN 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 will sell its Mexican subsidiaries, which consist of 31 theatres and 290 screens. The sales price, which will be paid in Mexican pesos and is subject to certain closing date adjustments, will be approximately \$125,000, based on the exchange rate on the date of this report. The transaction, which is subject to review by the Mexican Federal Competition Commission, is expected to close during the second half of 2013. Total revenues for the Company's Mexican subsidiaries for the years ended December 31, 2010, 2011 and 2012 were \$70,859, \$74,448 and \$75,333, respectively.

SCHEDULE 1 — CONDENSED FINANCIAL INFORMATION OF REGISTRANT

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

	December 31, 2011	December 31, 2012
Assets		
Cash and cash equivalents	\$ 156	\$ 569
Investment in subsidiaries	1,014,532	1,085,783
Total assets	<u>\$1,014,688</u>	<u>\$1,086,352</u>
Liabilities and equity		
Liabilities		
Accrued other current liabilities	\$ 780	\$ 1,258
Other long-term liabilities	1,031	1,029
Total liabilities	1,811	2,287
Commitments and contingencies		
Equity		
Common stock, \$0.001 par value: 300,000,000 shares authorized; 117,593,329 shares issued and 114,201,737 shares outstanding at December 31, 2011 and 118,502,752 shares issued and 114,949,667 shares outstanding at December 31, 2012	118	118
Additional paid-in-capital	1,047,237	1,064,016
Treasury stock, 3,391,592 and 3,553,085 common shares at cost at December 31, 2011 and 2012, respectively	(45,219)	(48,482)
Retained earnings	34,423	106,111
Accumulated other comprehensive loss	(23,682)	(37,698)
Total equity	<u>1,012,877</u>	<u>1,084,065</u>
Total liabilities and equity	<u>\$1,014,688</u>	<u>\$1,086,352</u>

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

CINEMARK HOLDINGS, INC.
PARENT COMPANY STATEMENTS OF INCOME
YEARS ENDED DECEMBER 31, 2010, 2011 and 2012
(in thousands)

	Year Ended December 31,		
	<u>2010</u>	<u>2011</u>	<u>2012</u>
Revenues	\$ —	\$ —	\$ —
Cost of operations	2,030	2,193	2,182
Operating loss	(2,030)	(2,193)	(2,182)
Other income	1	—	—
Loss before income taxes and equity in income of subsidiaries	(2,029)	(2,193)	(2,182)
Income taxes	762	823	818
Equity in income of subsidiaries, net of taxes	147,387	131,927	170,313
Net income	<u>\$146,120</u>	<u>\$130,557</u>	<u>\$168,949</u>

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

CINEMARK HOLDINGS, INC.
PARENT COMPANY STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2010, 2011 AND 2012
(In thousands)

	<u>2010</u>	<u>2011</u>	<u>2012</u>
Net income	\$ 146,120	\$ 130,557	\$ 168,949
Other comprehensive income (loss), net of tax			
Unrealized gain (loss) due to fair value adjustments on interest rate swap agreements, net of taxes of \$4,339, \$3,786 and \$557	7,170	(2,830)	1,020
Unrealized gain (loss) due to fair value adjustments on available-for-sale securities, net of taxes of \$3,425, \$8,128 and \$1,499	5,659	(13,566)	2,499
Amortization of accumulated other comprehensive loss on terminated swap agreement	4,633	4,236	2,470
Foreign currency translation adjustment	19,432	(46,280)	(20,232)
Total other comprehensive income (loss), net of tax	<u>36,894</u>	<u>(58,440)</u>	<u>(14,243)</u>
Total comprehensive income, net of tax	183,014	72,117	154,706
Comprehensive income attributable to noncontrolling interests	(3,711)	(1,803)	(2,244)
Comprehensive income attributable to Cinemark Holdings, Inc.	<u>\$ 179,303</u>	<u>\$ 70,314</u>	<u>\$ 152,462</u>

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

CINEMARK HOLDINGS, INC.
PARENT COMPANY STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2010, 2011 and 2012
(in thousands)

	2010	Year Ended December 31, 2011	2012
Operating Activities			
Net income	\$ 146,120	\$ 130,557	\$ 168,949
Adjustments to reconcile net income to cash provided by (used for) operating activities:			
Share based awards compensation expense	765	666	750
Equity in income of subsidiaries	(147,387)	(131,927)	(170,313)
Changes in other assets and liabilities	(561)	1,516	4,448
Net cash provided by (used for) operating activities	(1,063)	812	3,834
Investing Activities			
Dividends received from subsidiaries	78,100	95,000	95,750
Net cash provided by investing activities	78,100	95,000	95,750
Financing Activities			
Proceeds from stock option exercises	7,914	444	459
Payroll taxes paid as a result of noncash stock option exercises and restricted stock withholdings	(416)	(494)	(3,263)
Dividends paid to stockholders	(84,502)	(95,838)	(96,367)
Net cash used for financing activities	(77,004)	(95,888)	(99,171)
Increase (decrease) in cash and cash equivalents	33	(76)	413
Cash and cash equivalents:			
Beginning of period	199	232	156
End of period	<u>\$ 232</u>	<u>\$ 156</u>	<u>\$ 569</u>

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

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 senior secured credit facility and the indentures to each of the 8.625% 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, 2012, the restricted net assets totaled approximately \$824,862 and \$1,036,509 under the senior secured credit facility and the Notes, respectively. See Note 13 to the Company's consolidated financial statements included elsewhere in this annual report on Form 10-K.

2. DIVIDEND PAYMENTS

In August 2007, Cinemark Holdings, Inc. initiated a quarterly dividend policy, which was amended in November 2010. Below is a summary of dividends declared for the fiscal periods indicated.

Date Declared	Date of Record	Date Paid	Amount per Common Share ⁽²⁾	Total Dividends ⁽¹⁾
02/25/10	03/05/10	03/19/10	\$0.18	\$20,104
05/13/10	06/04/10	06/18/10	\$0.18	20,313
07/29/10	08/17/10	09/01/10	\$0.18	20,519
11/02/10	11/22/10	12/07/10	\$0.21	24,201
Total — Year ended December 31, 2010				\$85,137
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

⁽¹⁾ Of the dividends recorded during 2010, 2011 and 2012, \$635, \$684 and \$894, respectively, were related to outstanding restricted stock units and will not be paid until such units vest. See Notes 19 and 20 to the Company's consolidated financial statements included elsewhere in this annual report on Form 10-K.

⁽²⁾ Beginning with the dividend declared on November 2, 2010, the Company's board of directors raised the quarterly dividend to \$0.21 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, 2010, 2011 and 2012, Cinemark Holdings, Inc. received cash dividends of \$78,100, \$95,000 and \$95,750, respectively, from its subsidiary, Cinemark USA, Inc. Cinemark USA, Inc. also declared a noncash distribution to Cinemark Holdings, Inc. during the year ended December 31, 2012 of approximately \$5,356.

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 13 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 19 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 22 of the Company's consolidated financial statements included elsewhere in this annual report on Form 10-K.

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, 2012

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.
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 ⁵ / ₈ % 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 ⁵ / ₈ % 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 ³ / ₈ % 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).
4.3(b)	Form of 7 ³ / ₈ % 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).

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- 4.4(a) Indenture, dated as of December 18, 2012, between Cinemark USA, Inc. and Wells Fargo Bank, N.A. governing the 5 1/8% 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 1/8% 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.
- 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).

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- +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).
- 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).

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- 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).
- 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).

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- 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).
- 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).

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- 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).
- 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).

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- 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).
- 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).

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- 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).
- 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).

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- 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).
- 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).

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- 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).
- 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).

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- 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).
- 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).

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- 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).
- 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).

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- 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).
- 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).

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- 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).
- 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).

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- 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).
- 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).

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- 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).
- 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).

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- +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 Non-Employee Director Compensation Policy (incorporated by reference to Exhibit 10.40 to Cinemark Holdings, Inc.'s Annual Report on Form 10-K, File No. 001-33401, filed February 29, 2012).
- +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).
- *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, 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, Chief Executive 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, 2012 filed with the SEC on February 28, 2013, 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.

ASSET PURCHASE AGREEMENT

by and among

RAVE REAL PROPERTY HOLDCO, LLC AND CERTAIN OF ITS SUBSIDIARIES,

RAVE CINEMAS, LLC

and

RC PROCESSING, LLC,

as Sellers,

and

CINEMARK USA, INC.,

as Buyer

Dated as of November 16, 2012

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ASSET PURCHASE AGREEMENT

This Asset Purchase Agreement (this "Agreement"), dated as of November 16, 2012, is made by and among Rave Cinemas, LLC, a Delaware limited liability company ("Rave Cinemas"), Rave Real Property Holdco, LLC, a Delaware limited liability company ("Theater Seller"), each of Theater Seller's subsidiaries listed on the signature pages hereto (collectively, "Theater Seller Subs"), RC Processing, LLC, an Ohio limited liability company ("RC Processing"), and together with Theater Seller, Theater Seller Subs and Rave Cinemas, each a "Seller" and collectively, "Sellers"), and Cinemark USA, Inc., a Texas corporation ("Buyer").

RECITALS

WHEREAS, Sellers desire to transfer to Buyer, and Buyer desires to acquire from Sellers, all of the Acquired Assets (as defined below) and Assumed Liabilities (as defined below), on the terms and subject to the conditions set forth in this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants herein contained and other good and valuable consideration, the receipt and sufficiency of which are acknowledged, the parties to this Agreement agree as follows:

1. DEFINITIONS AND USAGE.

1.1 Definitions. For purposes of this Agreement, the following terms and variations thereof have the meanings specified or referred to in this Section 1.1:

"Accounting Firm" means Ernst & Young, LLP or such other accounting firm as to which Seller Representative and Buyer may mutually agree.

"Accrued Vacation Payment" means the aggregate amount of all cash payments required to be made by Sellers pursuant to any Legal Requirement with respect to the accrued and unpaid vacation benefits earned by any Transferred Employees on or prior to the Closing Date.

"Acquired Assets" means all of Sellers' right, title and interest in and to: (i) the Theater Assets, (ii) the Leases, (iii) the Continuing Contracts (other than the Leases), (iv) the Acquired Intellectual Property, together with any rights to bring an action at law or in equity for the infringement or other impairment thereof, (v) copies of all personnel records and other Books and Records set forth on Schedule 1.1M(v), and (vi) the Warehouse Assets, if any.

"Acquired Intellectual Property" means all U.S., state and foreign Intellectual Property owned or used by the Sellers, including, Intellectual Property relating to the "Rave" brand of movie theaters and the "Crave" brand of restaurants, but excluding any Intellectual Property that is an Excluded Asset.

"Acquisition Proposal" means any bona fide proposal or offer from a Third Party relating to the acquisition, directly or indirectly, in any manner and regardless of the form of transaction (including any merger, consolidation, liquidation, recapitalization, share exchange or other business combination transaction involving any Seller or issuance of equity interests in any Seller), of any Theater or a substantial portion of any of the other Acquired Assets (other than sales of inventory in the ordinary course of business).

“Active Seller Employees” is defined in Section 9.3(a).

“Affected Property” means each of the following: (i) any Leased Real Property for which Sellers have not obtained any required Landlord Consent or Required Estoppel Certificate and (ii) any Leased Real Property designated by Buyer as an Affected Property in accordance with Section 9.8.

“Affected Property and Casualty Adjustment Amount” means with respect to any Affected Property or Excluded Damaged Theater, an amount equal to the sum of (i) the amount set forth next to such Affected Property or Excluded Damaged Theater under the column titled “Affected Property and Casualty Base Amount” on Schedule 1.1L and (ii) the amount of the security deposit listed on Schedule 2.3 under the applicable Lease for such Affected Property or Excluded Damaged Theater that is reasonably expected to be returned to the lessee thereunder upon such lessee exiting the applicable premises in accordance with the terms and conditions of such Lease.

“Affiliate” of any Person means another Person that directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with, such first Person, in each case where “control” (including, with correlative meaning, the terms “controlled by” and “under common control with”) means the possession, directly or indirectly, of the power to direct the management and policies of a Person, whether through the ownership of voting securities, Contract or otherwise.

“Agreement” is defined in the first paragraph of this Asset Purchase Agreement.

“Agreement Date” means the date of this Agreement.

“Alcohol Escrow Agent” means Bay Commercial Bank.

“Alcohol Escrow Agreement” means the escrow agreement to be entered into among Sellers, Buyer and the Alcohol Escrow Agent, substantially in the form attached hereto as Exhibit 1.1(b).

“Alcohol Escrow Amount” is defined in Section 5.2(f).

“Amended Continuing Contracts” means the following Contracts: (i) Theatre Agreement, dated February 26, 2009, by and between Screenvision Exhibition, Inc. and Rave Reviews Cinemas, L.L.C. (d/b/a Rave Motion Pictures); (ii) Master License Agreement, dated March 31, 2010, by and between Access Digital Cinema Phase 2, Corp. and Rave Cinemas, LLC; (iii) Master License Agreement, dated March 2, 2012, by and between CDF2 Holdings, LLC and Rave Cinemas, LLC; (iv) Exhibitor Affiliation Agreement, dated January 1, 2010, by and between MovieTickets.com, Inc. and Rave Reviews Cinemas, L.L.C., Rave Digital Media, LLC and Rave Cinemas, LLC; and (v) Master License Agreement, dated June 3, 2006, by and between Christie/AIX, Inc. and Rave Reviews Cinemas, L.L.C.

“Anti Money Laundering and Anti Terrorism Laws” is defined in Section 3.25.

“Assignment Agreement” means an intellectual property assignment agreement to be executed at Closing, in substantially the form of Exhibit 2.7(a)(xiv) to this Agreement, confirming and memorializing the assignment of the Acquired Intellectual Property to Buyer.

“Assignment and Assumption of Lease Agreement” is defined in Section 2.7(a)(iii).

“Assumed Liabilities” means (i) all obligations related to the period from and after the Closing with respect to the Leases and the Continuing Contracts, (ii) the Liabilities assumed by Buyer pursuant to Section 9.3, (iii) all Liabilities associated with the Acquired Intellectual Property, to the extent such Liabilities are attributable to the period after the Closing, (iv) all Old Gift Card Liabilities and (v) all Specified Deferred Revenue Related Liabilities.

“Assumption Agreement” is defined in Section 2.7(a)(ii).

“Benefits List” is defined in Section 3.13(f).

“Berlin ROFO Agreement” means the Right of First Offer Agreement in the form of Exhibit 1.1(e) between Rave Berlin, LLC and Buyer.

“Berlin Theater” means the theater located at Rave Berlin, LLC, 19 Frontage Road, Kensington, CT 06037, including related parking.

“Bill of Sale” is defined in Section 2.7(a)(i).

“Books and Records” means all corporate documents, instruments, books, records and lists (in written, electronic or any other form or medium) of Sellers to the extent used in connection with any Theater, including: (i) all analysis reports and advertising, promotional and marketing materials created since January 1, 2010, and creative material, in each case pertaining solely to the Theaters; (ii) subject to any restrictions imposed by applicable Legal Requirement, all customer lists or databases, local market data (excluding any pricing data or analyses), vendor lists or databases (other than those related to film vendors), and attendance and concession records; and (iii) all accounting records, Tax records, real estate records and employee files.

“Business Day” means a day, other than a Saturday or Sunday, on which commercial banks in New York, New York are open for the general transaction of business.

“Buyer” is defined in the first paragraph of this Agreement.

“Buyer Designee” means any wholly-owned subsidiary of Buyer designated by Buyer in writing at least five (5) Business Days prior to the Closing Date to receive certain Acquired Assets and Assumed Liabilities to be transferred at the Closing, as applicable.

“Buyer Fully Indemnified Representations” is defined in Section 10.4(d).

“Buyer’s Objection” is defined in Section 2.4(a).

“Cash and Cash Equivalents” means all cash and cash equivalents of Sellers.

“Cash Purchase Price” is defined in [Section 2.3\(b\)](#).

“Casualty Loss” is defined in [Section 9.6\(a\)](#).

“Casualty Notice” is defined in [Section 9.6\(a\)](#).

“Claim Notice” is defined in [Section 10.6\(a\)](#).

“Closing” is defined in [Section 2.6](#).

“Closing Date” means a date upon which Seller Representative and Buyer mutually agree or, in the absence of such an agreement, the Business Day which is two (2) Business Days following the satisfaction or waiver (to the extent permitted) of the conditions set forth in [Articles 6 and 7](#) (other than those conditions to be satisfied or waived at the Closing, but subject to the satisfaction or waiver (to the extent permitted) thereof at the Closing); provided that Seller Representative, in its sole discretion by providing written notice thereof to Buyer at least one (1) Business Day prior to the date that would have otherwise been the Closing Date, may designate as the Closing Date any other Business Day prior to the date that is the earlier of (x) March 1, 2013 and (y) the 30th day after the first date as of which the conditions set forth in Articles 6 and 7 (other than those conditions to be satisfied or waived at the Closing) have been satisfied or waived. FOR THE AVOIDANCE OF DOUBT, TIME IS OF THE ESSENCE WITH RESPECT TO THE CLOSING DATE IN ACCORDANCE WITH [SECTION 11.10](#).

“Closing Date Purchase Price Adjustment Holdback Amount” means \$1,000,000.

“COBRA” is defined in [Section 9.3\(e\)](#).

“Code” means the Internal Revenue Code of 1986, as amended from time to time.

“Confidentiality Agreement” means the confidentiality agreement, dated May 3, 2012, by and between Rave Holdings, LLC and Cinemark USA, Inc.

“Contemplated Transactions” means all of the transactions contemplated by this Agreement and the Transaction Documents.

“Continuing Contract Retained Liabilities” means all Liabilities under a Continuing Contract solely to the extent such Liabilities relate to any Retained Theater.

“Continuing Contracts” means (i) those certain Contracts described in [Schedule 1.1C\(a\)](#) solely to the extent related to a Property or a Theater and (ii) those certain Contracts described in [Schedule 1.1C\(b\)](#).

“Contract” means any written or oral agreement, contract, lease, license, consensual obligation, promise or undertaking.

“Corporate Employees” is defined in [Section 9.3\(a\)](#).

“Corporate Headquarters” means Sellers’ corporate headquarters located at 2101 Cedar Springs Road, Suite 800, Dallas, TX 75201.

“Cost Effective Manner” is defined in Section 10.10(c).

“CPA Firm” means the dispute resolution group of a nationally recognized firm of independent certified public accountants as to which Seller Representative and Buyer shall mutually agree.

“Cured Property” is defined in Section 9.7.

“Damaged Theater” means a Theater where the Acquired Assets or Property comprising such Theater or used at such Theater became damaged or destroyed prior to the Closing.

“Damages” is defined in Section 10.2.

“Davenport Pad Site” shall have the meaning ascribed to such term “Excess Property Lot “A”” in the applicable Reciprocal Easement Agreement attached to Exhibit C of that certain November 16, 2012 amendment to the EPT Agreement, to be executed by and among CINEMARK USA, INC., a Texas Corporation, EPT Nineteen, Inc., a Delaware corporation, and RAVE SL Tenant, LLC, a Delaware limited liability company.

“Davenport Deed” is defined in Section 9.14.

“Deductible” is defined in Section 10.4(d).

“Designated Theater” means a Theater listed on Schedule 1.1B.

“Disclosure Schedule” is defined in the introduction to Article 3.

“Disputed Items” is defined in Section 2.4(c).

“Divesture Limit” is defined in Section 5.2(e).

“DOJ” is defined in Section 5.2(e).

“Effective Time” means the close of business of the Theaters with respect to the day first beginning on the Closing Date.

“Employee List” is defined in Section 3.14(a).

“Encumbrance” means any lien, pledge, security interest, mortgage, right of way, easement, option, right of first refusal or similar restriction or other encumbrance. For the avoidance of doubt, “Encumbrance” shall not include any license of Intellectual Property.

“Environmental Law” means any Legal Requirement in existence on or prior to the Closing Date and in effect on the Closing Date relating to pollution or the protection of the environment, including those relating to the generation, handling, transportation, treatment, storage, disposal, distribution, labeling, discharge, release, threatened release, control, or cleanup of any Hazardous Substances.

“EPT Agreement” means that certain Agreement as to Excess Property and Surplus Property Proceeds, dated as of September 10, 2012, by and between EPT Nineteen, Inc. and Rave SL Tenant, LLC, as amended on November 16, 2012.

“ERISA” means the Employee Retirement Income Security Act of 1974, as amended, and the regulations and rulings thereunder.

“Estimated Net Current Liability Amount” is defined in Section 2.3(b).

“Estimated Repair Cost” means the estimated cost to repair, replace or restore any Damaged Theater to substantially the same condition it was in immediately prior to becoming a Damaged Theater as determined by a qualified independent contractor mutually approved by Seller Representative and Buyer which approvals shall not be unreasonably withheld, conditioned or delayed.

“Estimated Repair Time” means the estimated time to repair, replace or restore any Damaged Theater to substantially the same condition it was in immediately prior to becoming a Damaged Theater as determined by a qualified independent contractor mutually approved by Seller Representative and Buyer, which approvals shall not be unreasonably withheld, conditioned or delayed.

“Estoppel Certificates” means the estoppel certificates to be executed and delivered by certain Sellers and landlords with respect to the Leases pursuant to Section 5.7, in substantially the form of Exhibit 1.1(c).

“Excess Land” means the excess land listed on Schedule 1.1J.

“Excluded Assets” means: (i) all Cash or Cash Equivalents of Sellers (other than Petty Cash), (ii) the Retained Theaters and all assets located at, and used solely by, the Retained Theaters, including the assets as set forth on Schedule 1.1M(ii), (iii) the Retained Corporate HQ Assets, (iv) the Excess Land, (v) all personnel records and other Books and Records set forth on Schedule 1.1M(v), (vi) all assets maintained pursuant to or in connection with any benefit or compensation plan, program, agreement, contract, or arrangement maintained by any Seller, (vii) all rights of Sellers under this Agreement and the Transaction Documents (including all of any Seller’s correspondence regarding the negotiation of this Agreement and/or any of the Transaction Documents), (viii) the other assets specifically identified on Schedule 1.1M(viii), (ix) the Intellectual Property other than Acquired Intellectual Property, as set forth on Schedule 1.1M(ix), (x) all claims for refund of Taxes and/or Impositions and other governmental charges of whatever nature for the period prior to the Effective Time to the extent such Taxes and/or Impositions and charges are allocated to Sellers in accordance with the allocation methodology set forth in Section 2.10, and to the extent not specifically provided for, all other claims for refund of Taxes and/or Impositions and other governmental charges of whatever nature owing to Sellers, whether prior to, on or after the Effective Time (except for such claims that arise out of the operation of the Theaters or ownership of the Acquired Assets after the Effective Time), (xi) the security deposits of Sellers other than those set forth on Schedule 2.3, (xii) all prepaid insurance, (xiii) prepaid amounts for Contracts that are not Continuing Contracts or Assumed Liabilities and (xiv) all accounts receivable as of immediately prior to the Closing.

“Excluded Damaged Theater” means any Damaged Theater designated by Buyer as an Excluded Damaged Theater in accordance with Section 9.6.

“Exclusivity Period” is defined in Section 5.5.

“Executive Order” is defined in Section 3.25.

“Final Inventory Amount” is defined in Section 2.4(c).

“Final Old Gift Card Liability Amount” is defined in Section 2.4(c).

“Final Specified Deferred Revenue Related Liability Amount” is defined in Section 2.4(c).

“Financial Statements” is defined in Section 3.4(a).

“FTC” is defined in Section 5.2(e).

“GAAP” means United States generally accepted accounting principles applied on a consistent basis.

“Governing Documents” means with respect to any particular entity, (i) if a corporation, the articles or certificate of incorporation and the bylaws; (ii) if a general partnership, the partnership agreement and any statement of partnership; (iii) if a limited partnership, the limited partnership agreement and the certificate of limited partnership; (iv) if a limited liability company, the articles of organization or certificate of formation and operating agreement; (v) if another type of Person, any other charter or similar document adopted or filed in connection with the creation, formation or organization of the Person; (vi) all equity holders’ agreements, voting agreements, voting trust agreements, joint venture agreements, registration rights agreements or other agreements or documents relating to the organization, management or operation of any Person or relating to the rights, duties and obligations of the equity holders of any Person; and (vii) any amendment or supplement to any of the foregoing.

“Governmental Authorization” means any consent, license, registration or permit issued, granted, given or otherwise made available by or under the authority of any Governmental Body or pursuant to any Legal Requirement.

“Governmental Body” means any: (i) nation, state, county, city, town, borough, village, district or other jurisdiction; (ii) federal, state, local, municipal, foreign or other government; (iii) governmental or quasi-governmental authority of any nature (including any agency, branch, department, board, commission, court, tribunal or other entity exercising governmental or quasi-governmental powers); (iv) multinational organization or body; (v) body exercising, or entitled or purporting to exercise, any administrative, executive, judicial, legislative, police, regulatory or taxing authority or power; or (vi) official of any of the foregoing acting in such capacity.

“Guaranty Agreement” means a guaranty agreement substantially in the form attached as Exhibit 1.1(a).

“Hazardous Substance” means any hazardous or toxic substance, pollutant, contaminant, material or waste, or combination thereof, whether solid, liquid or gaseous in nature, subject to regulation, investigation, control or remediation under any Environmental Law due to its hazardous or toxic properties.

“HSR Act” means the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, and the rules and regulations promulgated thereunder.

“Impositions” means all base rents, additional rents (including percentage rents and common area maintenance), royalties, real estate taxes, sales tax, use tax, transfer tax, special and benefit assessments, sewer rents, personal property taxes and all other taxes, assessments and charges of every kind and nature which may affect the Acquired Assets or any part thereof by virtue of any Legal Requirement of any Governmental Body.

“Improvements” is defined in Section 3.5(h).

“Indemnified Person” is defined in Section 10.5.

“Indemnifying Person” is defined in Section 10.5.

“Intellectual Property” means all intellectual property rights arising under the laws of the United States or any other jurisdiction, including all: (i) trade names, trademarks, service marks, trade dress, and logos, Internet domain names, and all registrations of and applications to register any of the foregoing, including the goodwill symbolized thereby or associated therewith; (ii) patents, patent applications, utility models, statutory invention registrations, mask works, invention disclosures, and industrial designs, and all registrations of and applications to register the foregoing; (iii) rights in original works of authorship and proprietary software, including copyrights and registrations and applications therefor; and (iv) proprietary or confidential know-how, trade secrets, and processes.

“Interim Operating Results” is defined in Section 3.4(b).

“Inventory Amount” with respect to any Theater means the value of the inventory located at such Theater based on the physical count of inventory and valued in accordance with GAAP, consistently applied.

“IRS” means the United States Internal Revenue Service and, to the extent relevant, the United States Department of the Treasury.

“July LTM TCF” means, with respect to any Theater, the amount set forth next to such Theater under the column titled “July 2012 LTM TLCF” on Schedule 1.1L.

“Knowledge” - an individual will be deemed to have Knowledge of a particular fact or other matter only if that individual is actually aware of that fact or matter. “Sellers’ Knowledge” or “Knowledge of Sellers” means the Knowledge of Rolando Rodriguez, Arthur Starrs, David Catalano, Lynne Bartusek, Alan Benjamin or Bryan Rakowski. “Buyer’s Knowledge” or “Knowledge of Buyer” means the Knowledge of Tim Warner, Robert Copple or Michael Cavalier.

“Landlord Consents” means the consents of each landlord under the Leases listed on Schedule 1.1F to the assignment of the respective Lease and the execution of the applicable Assignment and Assumption of Lease Agreement by such landlord, in each case to the extent required by such Lease.

“Lease” means each lease listed on Schedule 1.1A, and all amendments, supplements and modifications thereto.

“Leased Tangible Property” means all Tangible Property leased by any Seller and located at, affixed or attached to, or placed upon, and related primarily to the operation of the Theaters and the business operated thereon.

“Leased Real Property” means the real property leased to a Seller pursuant to the Leases, together with all buildings and other structures, facilities or improvements located thereon, and all fixtures attached or appurtenant thereto and all easements, licenses, rights and appurtenances relating to the foregoing.

“Leasehold Improvements” means the buildings, structures, improvements, facilities and fixtures located on certain of the Leased Real Property.

“Legal Requirement” means any federal, state, local, municipal, foreign, or international constitution, law (including common law), ordinance, code, regulation, statute or treaty.

“Liability” means, with respect to any Person, any liability, obligation, debt, claim, damage, fine, penalty, expense, Loss or cost, whether known or unknown, asserted or unasserted, absolute or contingent, accrued or unaccrued, liquidated or unliquidated or due or to become due.

“Liability Cap” is defined in Section 10.4(d).

“License Agreement” means a license agreement to be executed at Closing, in substantially the form of Exhibit 2.7(a)(xiii) to this Agreement, pursuant to which Buyer will grant a license to Sellers to use certain of the Acquired Intellectual Property following the Closing as needed for the operation of any Rave-managed theater that is not a Theater.

“Liquor Licenses” means the licenses held or used by any Seller as of the Agreement Date in connection with the sale and service of alcoholic beverages at any Theater.

“Losses” means any and all losses, costs, settlement payments, awards, judgments, fines, penalties, damages, expenses or other charges (including reasonable legal fees and expenses of external counsel (but not in-house counsel), but excluding all special, consequential, incidental or punitive damages of any kind, and excluding any measure of lost profits, diminution in value or any similar items).

“Make Whole Payment” means, with respect to any Theater that has suffered a Casualty Loss, an amount equal to the July LTM TCF of such Theater multiplied by a fraction, the numerator of which is the number of days of Estimated Repair Time that will elapse from and after the Closing Date (which in no event shall exceed 365 days) and the denominator of which is 365.

“Management Services Agreement” means the Management Services Agreement by and among Buyer and Sellers to be entered into as of the Closing, substantially in the form attached as Exhibit A hereto.

“Material Adverse Effect” means any fact, circumstance, occurrence, change or effect that is, or would reasonably be expected to be, materially adverse to the financial condition or results of operations of the Theaters and Properties, taken as a whole, other than any fact, circumstance, occurrence, change or effect that results or arises from or relates to (i) general economic (including banking, currency, capital market, financial, securities, commodities or other market conditions or prevailing interest rates) or political conditions, (ii) the industries in which Sellers operate, and related industries, such as film production (including legal or regulatory changes, film slate quality or labor stoppages or disruptions), (iii) acts of God or other calamities, national or international regulatory, political or social conditions, including the engagement by any country in hostilities, whether commenced before or after the Agreement Date, and whether or not pursuant to the declaration of a national emergency or war, or the occurrence of any military or foreign or domestic terrorist attack or any theater violence, (iv) actions taken pursuant to this Agreement or at the written request of Buyer, or (v) the announcement of this Agreement or the Contemplated Transactions; provided, that in the case of clauses (i), (ii) and (iii), any such change or effect that has a materially disproportionate impact on the financial condition or results of operations of the Theaters and Properties, taken as a whole, relative to the financial condition or results of operations of companies operating in the industries in which Sellers operate shall not be excluded from the determination of whether there has been a Material Adverse Effect.

“NAI” means, collectively, National Amusements, Inc., a Maryland corporation, and Quincy Amusements, Inc., a Delaware corporation.

“Non-Active Seller Employees” is defined in Section 9.3(a).

“Non-Solicitation Agreement” means the Non-Solicitation Agreement to be entered into by Sellers, each Seller Owner and Buyer at the Closing, substantially in the form attached hereto as Exhibit 1.1(d).

“Offer Employee” is defined in Section 9.3(a).

“Old Gift Card Liabilities” means all current liabilities of Sellers as of immediately prior to the Closing with respect to any gift certificate (identified by card and balance), director ticket, discount ticket, or ecard sale or redemption that was issued by Sellers prior to the Closing and that is reasonably likely to be redeemed at a Theater that is being transferred at the Closing, in each case, calculated in a manner consistent with Sellers’ past practices, consistently applied (including by taking into account allowances for breakage and discounts applicable to the period prior to the Closing and by excluding any passes issued in a manner consistent with Sellers’ past practices, consistently applied).

“Order” means any order, determination, injunction, judgment, decree, ruling, assessment or arbitration award of any Governmental Body or arbitrator.

“Permit” means any permit, license, certificate, approval, registration, filing or other similar authorization required by any Legal Requirement.

“Permitted Exceptions” means (i) statutory liens for current Taxes not due or delinquent as of the Closing Date or the validity or amount of which is being contested in good faith by appropriate proceedings, as set forth on Schedule 1.1G(i), (ii) mechanics liens and similar liens for labor, materials or supplies provided with respect to such Property incurred in the ordinary course of business for amounts which are not delinquent and which will be released at or prior to the Closing, (iii) zoning, building codes and other land use laws regulating the use or occupancy of the Property or the activities conducted thereon which are imposed by any governmental authority having jurisdiction over such Property which are not violated by the current use or occupancy of such Property or the operation of the business thereon, (iv) liens for any financing secured by such Property which will be released at or prior to the Closing, (v) easements, covenants, conditions, restrictions and other similar matters affecting title to such Property, and other title defects (other than liens) which do not or would not materially impair the use or occupancy of such Property or the operation of the business thereon, (vi) those easements, covenants, conditions, restrictions and other similar matters of record specified on Schedule 1.1G(vi), (vii) all matters shown in the Title Documents other than the Title Defects, and (viii) any other matters affecting title to the Property to which Buyer has consented in writing.

“Person” means an individual, partnership, corporation, business trust, limited liability company, limited liability partnership, joint stock company, trust, unincorporated association, joint venture or other entity or a Governmental Body.

“Petty Cash” with respect to any Theater means the Cash and Cash Equivalents located at such Theater as determined in accordance with Section 9.2.

“Pre-Closing Period” means the period commencing on the date of this Agreement and ending on the Closing Date.

“Preventative Litigation” is defined in Section 6.4.

“Proceeding” means any action, arbitration, charge, complaint, arbitration, mediation, grievance, audit, hearing, investigation, litigation or suit (whether civil, criminal, administrative, judicial or investigative, whether formal or informal, whether public or private) commenced, brought, conducted or heard by or before, or otherwise involving, any Governmental Body or arbitrator.

“Property” means the Leased Real Property.

“Purchase Price” is defined in Section 2.3(b).

“Purchase Price Adjustment Amount” is defined in Section 2.4(e).

“Purchase Price Adjustment Base Amount” means \$21,500,000.

“Purchase Price Allocation Schedule” is defined in Section 2.5.

“OSR Contracts” is defined in Section 3.18(a)(ix).

“Rave Cinemas” is defined in the first paragraph of this Agreement.

“RC Processing” is defined in the first paragraph of this Agreement.

“Real Property Laws” is defined in Section 3.8.

“Registered IP” is defined in Section 3.19(a).

“Related Assets and Liabilities” means, with respect to any Property, the Acquired Assets and the Assumed Liabilities pertaining solely thereto.

“Remedial Action” means any action to investigate, assess, monitor, clean up, remove or remediate, or conduct remedial or corrective actions with respect to, Hazardous Substances at any Leased Real Property.

“Representative” means, with respect to a Person, any director, officer, manager, employee, agent, consultant, advisor, accountant, financial advisor, legal counsel or other representative of that Person.

“Required Estoppel Certificates” means the Estoppel Certificates with respect to all of the Leases listed on Schedule 1.1K.

“Required Theater” means a Theater listed on Schedule 1.1O.

“Retained Corporate HQ Assets” means all of the items listed on Schedule 1.1I.

“Retained Environmental Matter” means any Liability that relates to any Environmental Law or Hazardous Substance and that arises out of the matters set forth on Schedule 1.1P.

“Retained Liabilities” means every Liability of any Seller other than those specifically included in the Assumed Liabilities, including, without limitation but only to the extent not an Assumed Liability: (i) Liabilities arising out of the ownership or operation of the Acquired Assets arising prior to the Effective Time, (ii) Contracts or agreements not specifically assumed hereunder, (iii) Continuing Contract Retained Liabilities, (iv) Liabilities for “Rave” branded directors’ tickets, discounted tickets and directors’ passes and “Rave” branded gift cards in excess of Buyer’s obligation under Section 9.12, (v) any Tax imposed on Sellers except as (A) provided in Section 9.3 or (B) allocated to Buyer in accordance with Section 2.10, (vi) except for the Severance Payment Amount, any employee compensation, including any severance pay payable to the Seller Employees whose employment is terminated prior to or at the Effective Time and any accrued vacation benefits required to be paid to such Seller Employees pursuant to any Legal Requirement (other than the Transferred Employees for which Buyer has agreed to be responsible for pursuant to Section 9.3(b)) and (vii) any Retained Environmental Matter.

“Retained Theaters” means the theaters not purchased by Buyer, including the theaters listed on Schedule B, any Affected Property and any Excluded Damaged Theater.

“Revised Estimated Net Current Liabilities Amount” is defined in Section 2.4(a)

“Seller” is defined in the first paragraph of this Agreement.

“Seller Benefit Plan” is defined in Section 3.13(a).

“Seller Credit Enhancement” is defined in Section 5.3(a).

“Seller Employee” is defined in Section 3.14(a).

“Seller Fully Indemnified Representations” is defined in Section 10.4(d).

“Seller Owner” means TowerBrook Investors III, L.P., TowerBrook Investors III Executive Fund, L.P. and TowerBrook Investors III (Parallel), L.P.

“Seller Representative” is defined in Section 11.1.

“Seller Savings Plan” is defined in Section 9.3(d).

“Severance Payment Amount” means, with respect to each Corporate Employee that becomes a Transferred Employee pursuant to Section 9.3(a), the amount listed opposite such Corporate Employee’s name on Schedule 9.3(a) under the column titled “50% Sellers’ Portion, if Hired”.

“Specified Deferred Revenue Related Liabilities” means all current liabilities of Sellers as of immediately prior to the Closing to the extent related to post-Closing obligations with respect to advance ticket sales, studio marketing placements and the Continuing Contracts with each of The Coca-Cola Company, RealD Inc., MovieTickets.com, Inc., Screenvision Exhibition, Inc. and/or their respective Affiliates, in each case, to the extent related to a Theater that is being transferred at the Closing and calculated in a manner consistent with Sellers’ past practices, consistently applied.

“Tangible Property” means all supplies, inventory, service equipment, concession stands and related concession equipment, heating, ventilating and cooling equipment, furniture, fixtures, cleaning equipment and supplies, alarm systems, screens, projection equipment, theater seats, signs cash registers, display cases, acoustical wall panels, sound systems, speakers, office equipment and desks, popcorn poppers and storage bins, linoleum, carpets, drapes, laundry tubs and trays, washers, dryers, iceboxes, refrigerators, heating units, stoves, ovens, water heaters, incinerators, furniture and furnishings, and communication systems.

“Tax” means all taxes of any kind, whether direct or indirect, federal, state, local, foreign and other levies or assessments, customs, duties, imposts or charges, including income, excise, franchise, sales, transfer, use, gross receipts, ad valorem, real or personal property, asset, transaction, capital, net worth, estimated taxes, withholding, employment, unemployment, social security, workers compensation, utility, severance, production, occupation, premium, windfall profits, payroll, transfer and gains or other governmental taxes, assessments, charges or fees imposed, payable to or collected by any Governmental Body or under any Legal Requirement, including any related penalties, interest, deficiencies or other charges and including any such amounts for which a Person is liable by reason of Treasury Regulation 1.1502-6.

“Tax Affidavit” is defined in Section 3.3.

“Tax Claim” is defined in Section 10.9.

“Tax Return” means any return, declaration, report, claim for refund, or information return or statement relating to Taxes required to be filed with any Governmental Body, including any schedule or attachment thereto, and including any amendment thereof.

“Temporary Permits” is defined in Section 5.2(f).

“Termination Date” means the date that is the six (6) month anniversary of the date hereof, provided that the Closing has not occurred by such date, or such other date as may be mutually agreed upon by Buyer and Seller Representative.

“Theater” means each of the thirty-two (32) theaters listed on Schedule A.

“Theater Assets” means all of the assets owned, licensed, leased or used by Sellers including, but not limited to, the Davenport Pad Site, all Books and Records, all Permits and all items of Tangible Property, whether owned, leased or licensed by any Seller; provided that “Theater Assets” shall not include any Retained Corporate HQ Assets or any Excluded Assets.

“Theater Seller” is defined in the first paragraph of this Agreement.

“Theater Seller Subs” is defined in the first paragraph of this Agreement.

“Third Party” means a Person that is not a party to this Agreement or a subsidiary or parent entity of a Person that is a party to this Agreement.

“Third Party Claim” means any claim against any Indemnified Person by a Third Party, whether or not involving a Proceeding.

“Third Party Consents” means those consents, all of which are set forth on Schedule 1.1H, necessary for the assignment or transfer to Buyer by any Seller of such Seller’s rights and obligations under the Continuing Contracts.

“Title Commitments” is defined in Section 9.8.

“Title Defects” is defined in Section 9.8.

“Title Documents” is defined in Section 9.8.

“Title Exception Documents” is defined in Section 9.8.

“Transaction Documents” means the documents to be delivered under this Agreement in accordance with Section 2.7.

“Transferred Employees” is defined in Section 9.3(b).

“Transition Services Agreement” the Transition Services Agreement by and among Buyer and Sellers to be entered into as of the Closing, substantially in the form attached as Exhibit B hereto.

“Updated Commitments” is defined in Section 9.8.

“Vista License Agreement” means that certain Master License Agreement for Vista, dated February 27, 2012, by and between Vista Entertainment Solution Limited and Rave Cinemas, LLC.

“Warehouse Assets” means all assets leased or owned by any Seller or any Affiliate related primarily to the operation of any one or more of the Theaters that are located in a warehouse or other off-site facility, excluding any 35 millimeter projectors located at such warehouse or facility.

1.2 Usage.

(a) Interpretation. In this Agreement, unless a contrary meaning is evident:

(i) the table of contents and headings for this Agreement are for reference purposes only and do not affect in any way the meaning or interpretation of this Agreement;

(ii) the singular number includes the plural number and vice versa;

(iii) reference to any Person includes such Person’s successors and assigns but, if applicable, only if such successors and assigns are not prohibited by this Agreement, and reference to a Person in a particular capacity excludes such Person in any other capacity or individually;

(iv) “hereunder,” “hereof,” “hereto,” and words of similar import will be deemed references to this Agreement as a whole and not to any particular Article, Section or other provision of this Agreement;

(v) “party” means a party to this Agreement; and

(vi) “including” (and with correlative meaning “include”) means including without limiting the generality of any description preceding such term.

(b) Accounting Terms and Determinations. Unless otherwise specified, all accounting terms used in this Agreement will be interpreted in accordance with generally accepted accounting principles for financial reporting in the United States.

(c) Legal Representation of the Parties. This Agreement was negotiated by the parties with the benefit of legal representation, and any rule of construction or interpretation otherwise requiring this Agreement to be construed or interpreted against any party will not apply to any construction or interpretation hereof.

2. PURCHASE AND SALE OF ASSETS; CLOSING.

2.1 Purchase and Sale of Assets. Upon the terms and subject to the conditions set forth in this Agreement, Buyer agrees to purchase or to cause one or more Buyer Designees to purchase from Sellers, and Sellers agree to sell, transfer, convey and deliver to Buyer or one or more Buyer Designees (as applicable), all of the Acquired Assets, free and clear of any Encumbrances (other than Permitted Exceptions), at the Closing, effective as of the Effective Time.

2.2 Assumption of Liabilities. Upon the terms and subject to the conditions set forth in this Agreement, Buyer agrees to assume and become responsible for, or to cause one or more Buyer Designees to assume and become responsible for, all Assumed Liabilities at the Closing, effective as of the Effective Time. Buyer has not agreed to pay, shall not be required to assume and shall have no Liability or obligation with respect to, any Retained Liability.

2.3 Purchase Price.

(a) Seller Representative shall prepare, or cause to be prepared, and deliver to Buyer statements setting forth Seller Representative's good faith estimate of (i) the Old Gift Card Liabilities, including detail of such Old Gift Card Liabilities (A) reflected by month and (B) presented as a roll-forward from December 29, 2011 balances through Closing, (ii) the Specified Deferred Revenue Related Liabilities and (iii) the aggregate Inventory Amount with respect to the Theaters to be transferred at the Closing. The Seller Representative shall deliver to Buyer (x) such statements with respect to items set forth in clauses (i) and (ii) above at least one (1) Business Day prior to the Closing Date and (y) such statement with respect to the item set forth in clause (iii) above upon the completion of the physical counting of inventory contemplated by Section 9.2

(b) Subject to certain adjustments to be made after the Closing as expressly set forth herein, the aggregate consideration (the "Purchase Price") for the Acquired Assets shall be an amount equal to (1) (i) \$216,850,000, plus (ii) the aggregate amount of Petty Cash with respect to the Theaters to be transferred at the Closing, plus (iii) the aggregate amount of security deposits under the Leases with respect to the Theaters (each of which is listed on Schedule 2.3) to be transferred at the Closing that is reasonably expected to be returned to the lessees thereunder upon such lessees exiting the applicable premises in accordance with the terms and conditions of such Lease, but only to the extent such landlord has acknowledged pursuant to an executed Estoppel Certificate that such landlord currently holds such security deposit pursuant to the terms of the Lease, plus (iv) subject to the payment in full by Sellers of the full base Maintenance Fees (as such term is defined in the Vista License Agreement) for 2013 of \$313,000 and the full amount of the \$795,000 Marketing Fee (as such term is defined in the Vista License Agreement), in each case, paid by Sellers pursuant to the Vista License Agreement on or prior to the Closing, an amount equal to the sum of (A) two-thirds (2/3) of such full \$313,000 base Maintenance Fees and (B) the portion of such full \$795,000 Marketing Fee paid by Sellers (provided, however, that such amount will not include any reimbursement for Maintenance Fees paid with respect to maintenance for calendar year 2012 (estimated at \$74,763)), minus (v) the Severance Payment Amount, minus (vi) the aggregate Affected Property and Casualty Adjustment Amount with respect to all Affected Properties and Excluded Damaged Theaters, minus (vii) to the extent the Davenport Pad Site is not transferred to Buyer or its Affiliates on the Closing Date pursuant to and in accordance with Section 9.14, \$750,000, plus (viii) the Purchase Price Adjustment Base Amount, plus (ix) an

amount (which may be a negative number) equal to (A) the aggregate Inventory Amount with respect to the Theaters to be transferred at the Closing minus (B) the aggregate amount of Old Gift Card Liabilities, minus (C) the aggregate amount of Specified Deferred Revenue Related Liabilities, in each case, as set forth on the statements delivered pursuant to Section 2.3(a) (the amount determined pursuant to this clause (ix) being referred to herein as the “Estimated Net Current Liability Amount”), minus (x) the Closing Date Purchase Price Adjustment Holdback Amount (the aggregate amount determined pursuant to this clause (1) being referred to herein as the “Cash Purchase Price”), plus (2) the assumption of the Assumed Liabilities.

2.4 Post-Closing Purchase Price Adjustment.

(a) As soon as practical, but in no event more than thirty (30) days following the Closing Date, Seller Representative shall prepare, or cause to be prepared, and deliver to Buyer a revised (if necessary) good faith estimate of (i) the Old Gift Card Liabilities, including detail of any Old Gift Card Liabilities (A) reflected by month and (B) presented as a roll-forward from December 29, 2011 balances through Closing, plus (ii) the Specified Deferred Revenue Related Liabilities, minus (iii) the aggregate Inventory Amount with respect to the Theaters that were transferred at the Closing (the amount calculated pursuant to the foregoing (which may be a negative number) being referred to herein as the “Revised Estimated Net Current Liabilities Amount”).

(b) Buyer and Buyer’s accountants shall complete their review of the Revised Estimated Net Current Liabilities Amount within thirty (30) days after delivery thereof by Seller Representative. If Buyer determines that the Revised Estimated Net Current Liabilities Amount has been prepared in error, then Buyer shall, on or before the last day of such thirty (30)-day period, so inform Seller Representative in writing (“Buyer’s Objection”), setting forth a specific description of the basis of Buyer’s determination and the adjustments to the Revised Estimated Net Current Liabilities Amount that Buyer believes should be made. If a Buyer’s Objection is not received by Seller Representative on or before the last day of such thirty (30)-day period, then the Revised Estimated Net Current Liabilities Amount shall be final. Seller Representative shall have thirty (30) days from its receipt of a Buyer’s Objection to review and respond to the Buyer’s Objection. If Seller Representative does not respond to a Buyer’s Objection on or before the last day of such thirty (30)-day period, then the Buyer’s Objection shall be final.

(c) If Seller Representative and Buyer are unable to resolve all of their disagreements with respect to the proposed adjustments set forth in a Buyer’s Objection within fifteen (15) days following the completion of Seller Representative’s review of the Buyer’s Objection, then they shall refer any remaining disagreements to the CPA Firm which, acting as experts and not as arbitrators, shall determine, on the basis set forth in and in accordance with Section 2.4(a), and only with respect to the remaining differences so submitted, whether and to what extent, if any, such items contained in the Revised Estimated Net Current Liabilities Amount (as revised for items finalized as set forth above) require adjustment (the “Disputed Items”). The CPA Firm shall make a final determination of each Disputed Item based solely on the definitions and other applicable provisions of this Agreement (and not by independent review), on a single written presentation submitted by each of Buyer and Sellers (which the CPA Firm

shall be instructed to distribute to Buyer and Sellers upon receipt of both such presentations) and on one written response of Buyer and Sellers to each such presentation so submitted (which the CPA Firm shall be instructed to distribute to Buyer and Sellers upon receipt of such responses), which determination shall be binding on the parties. Buyer and Sellers shall require the CPA Firm (i) to adhere to the principles set forth in this Section 2.4(c), (ii) to limit its review to matters specifically set forth in the Buyer's Objection, and (iii) not to assign a value to any item greater than the greatest value for such item claimed by either party or less than the smallest value for such item claimed by either party. The CPA Firm shall be retained to resolve such dispute promptly and, in any event, within thirty (30) days from the date the dispute is submitted to the CPA Firm. The fees and expenses of the CPA Firm acting under this Section 2.4(c) shall be borne proportionately by Buyer and Sellers on the basis of the discrepancy (in dollars) between such party's determination of the Disputed Items (in the aggregate) as presented to the CPA Firm and the final and binding determination of the Disputed Items (in the aggregate) by the CPA Firm. The determination as to each Disputed Item as determined by agreement of Buyer and Sellers or by the CPA Firm shall be final and binding on the parties hereto. The Old Gift Card Liabilities, the Specified Deferred Revenue Related Liabilities and the aggregate Inventory Amount with respect to the Theaters that were transferred at the Closing as finally determined pursuant to Section 2.4(c) shall be final for purposes of this Section 2.4 (such aggregate amounts being referred to herein as the "Final Old Gift Card Liability Amount", the "Final Specified Deferred Revenue Related Liability Amount" and the "Final Inventory Amount", respectively).

(d) Seller Representative and Buyer shall, and shall cause their respective accountants to, provide each other with reasonable access to the Books and Records and to any other information, including work papers of such accountants (to the extent permitted by such accountants), and to any employees during regular business hours and on reasonable advance notice, to the extent necessary for Seller Representative to prepare, and Buyer to evaluate, the Revised Estimated Net Current Liabilities Amount proposal in connection with Section 2.4(a), to prepare the Buyer's Objection, to prepare materials for presentation to the CPA Firm in connection with Section 2.4(c) (including access to all information used by Buyer in preparing the Buyer's Objection) and in connection with the reconciliation set forth in Section 2.4(f), including the work papers of its accountants (to the extent permitted by such accountants).

(e) The Cash Purchase Price shall be adjusted by an amount (the "Purchase Price Adjustment Amount") equal to (x) the Final Inventory Amount minus the Final Old Gift Card Liability Amount minus the Final Specified Deferred Revenue Related Liability Amount minus (y) the Estimated Net Current Liability Amount. It is hereby acknowledged that the amount calculated pursuant to the forgoing sentence shall be expressed as a positive, if positive, or as a negative, if negative. If the Purchase Price Adjustment Amount is a positive number, then the Cash Purchase Price shall be increased by the Purchase Price Adjustment Amount and Buyer shall promptly (and in any event within ten (10) Business Days) after the final determination thereof pay to Seller Representative an amount equal to the Purchase Price Adjustment Amount plus the Closing Date Purchase Price Adjustment Holdback Amount, by wire transfer of immediately available funds to an account designated by Seller Representative. If the Purchase Price Adjustment Amount is a negative number, then the Cash Purchase Price shall be decreased by the absolute value of the Purchase Price Adjustment Amount and Seller Representative shall promptly (and in any event within ten (10) Business Days) after the final determination thereof cause to be paid to Buyer the absolute value of the Purchase Price Adjustment Amount, by wire transfer of immediately available funds to an account designated by Buyer; provided that such required payment shall be first satisfied by offsetting such amount against the Closing Date Purchase Price

Adjustment Holdback Amount (with Seller Representative promptly (and in any event within ten (10) Business Days) after the final determination thereof, causing to be paid to Buyer any amounts in excess thereof) and, in the event that the absolute value of the Purchase Price Adjustment Amount is less than the Closing Date Purchase Price Adjustment Holdback Amount, Buyer shall pay the amount of such shortfall to Seller Representative, by wire transfer of immediately available funds to an account designated by Seller Representative.

(f) At the end of each fiscal month from and after the payment of the Purchase Price Adjustment until the first fiscal month-end of Buyer following the twenty (24) month anniversary of the Closing Date, Buyer and Seller Representative shall cooperate with each other to determine the amount of any redemptions from and after the Closing associated with Old Gift Card Liabilities and the Sellers shall reimburse Buyer for the excess (if any) of (i) the amount of such aggregate redemptions over (ii) the Final Old Gift Card Liability Amount plus the aggregate amount of allowances for breakage and discounts used in calculating such Final Old Gift Card Liability Amount.

2.5 Allocation of Purchase Price. The Purchase Price and any Purchase Price Adjustment Amount pursuant to Section 2.4 will be allocated in accordance with GAAP, based on the fair values of the assets acquired and liabilities assumed, which will be determined by the Accounting Firm (the "Purchase Price Allocation Schedule") in consultation with each of Buyer and the Seller Representative. The Accounting Firm will use various methodologies in valuing certain of the acquired assets, including the cost approach, the income approach and the market approach. The nature and characteristics of the assets being valued will determine which approach or approaches are most applicable for valuation purposes. The parties will make consistent use of the Purchase Price Allocation Schedule for all purposes, including regulatory and Tax purposes and in all filings, declarations and reports with the IRS in respect thereof, including Internal Revenue Form 8594 which Sellers and the Buyer or Buyer Designee will file with their respective appropriate federal income tax returns to report such allocation. In any Proceeding related to the determination of any Tax, neither Buyer nor Sellers will contend or represent that such allocation is not a correct allocation. The fees and expenses of the Accounting Firm acting under this Section 2.5 shall be borne fifty percent (50%) by Buyer and fifty percent (50%) by Sellers.

2.6 Closing. Subject to the terms and conditions of this Agreement, the purchase and sale of the Acquired Assets (other than any Affected Property or Excluded Damaged Theater and their respective Related Assets and Liabilities) provided for in this Agreement (the "Closing") will take place at the offices of Akin Gump Strauss Hauer & Feld LLP, 1700 Pacific Avenue, Suite 4100, Dallas, Texas 75201, commencing at 10:00 a.m. (local time) on the Closing Date. Subject to the provisions of Article 8, failure to consummate the Closing on the date and time and at the place described in this Section 2.6 will not result in the termination of this Agreement and will not relieve any party of any obligation under this Agreement. In such a situation, the Closing will occur as soon as practicable, subject to Article 8. For avoidance of doubt, the Closing will be deemed effective for all purposes as of the Effective Time.

2.7 Closing Obligations. In addition to any other documents required to be delivered under other provisions of this Agreement, at the Closing:

(a) Sellers will deliver to Buyer:

(i) an assignment and bill of sale for all of the Acquired Assets included in the Closing in substantially the form of Exhibit 2.7(a)(i) to this Agreement (the “Bill of Sale”), executed by Sellers;

(ii) an assumption agreement in substantially the form of Exhibit 2.7(a)(ii) to this Agreement (the “Assumption Agreement”), executed by Sellers;

(iii) an assignment of each Lease included in the Closing, each in substantially the form of Exhibit 2.7(a)(iii), or such other form as required by the terms of the applicable Lease (each, an “Assignment and Assumption of Lease Agreement”), duly executed by the applicable Seller;

(iv) a certificate (in form and substance reasonably satisfactory to Buyer) executed by an officer of each Seller certifying that the conditions set forth in Sections 6.1, 6.2 and 6.6 have been satisfied as of the Closing;

(v) a Tax Affidavit with respect to each Seller;

(vi) the Management Services Agreement and the Guaranty Agreement, each executed by the applicable Seller(s) or its Affiliates (provided that any required approvals from the DOJ or the FTC have been obtained);

(vii) the Landlord Consents obtained as of the Closing, in form and substance reasonably satisfactory to Buyer;

(viii) the Non-Solicitation Agreement, duly executed by each Seller and each Seller Owner;

(ix) the Required Estoppel Certificates, dated as of a date within thirty (30) days of the Closing Date;

(x) an opinion of the outside counsel to Sellers, substantially in the form set forth on Exhibit 2.7(a)(x)-1 to this Agreement and an opinion from the outside counsel to Seller Owners, substantially in the forms of Exhibit 2.7(a)(x)-2 and Exhibit 2.7(a)(x)-3 to this Agreement, each addressed to Buyer and dated as of the Closing Date;

(xi) the Updated Commitments;

(xii) the Transition Services Agreement, duly executed by Sellers;

(xiii) the License Agreement, duly executed by each applicable Seller;

(xiv) the Assignment Agreement, duly executed by each applicable Seller;

(xv) The Berlin ROFO Agreement, duly executed by Rave Berlin, LLC;

(xvi) a certificate of the Secretary or other executive officer of each Seller certifying, as complete and accurate as of the Closing, attached copies of the Governing Documents of such Seller, certifying and attaching all requisite resolutions or actions of the governing body for such Seller approving the execution and delivery of this Agreement, the Transaction Documents to which it is a party and the consummation of the Contemplated Transactions, certifying to the incumbency and signatures of the officers of such Seller executing this Agreement, the Transaction Documents to which it is a party and any other document relating to the Contemplated Transactions;

(xvii) certificates of good standing of each Seller issued as of a recent date by the Secretary of State of the State of its formation;

(xviii) the Alcohol Escrow Agreement, executed by Sellers;

(xix) a cross receipt, executed by Sellers; and

(xx) all other previously undelivered documents, instruments and writings required to be delivered by Sellers to Buyer at or prior to the Closing pursuant to this Agreement, including, but not limited to, Article 6.

(b) Buyer will deliver (or cause to be delivered) to Sellers:

(i) (x) the Cash Purchase Price in immediately available funds by wire transfer to one or more accounts specified by Sellers in a writing delivered to Buyer at least two (2) calendar days prior to the Closing Date;

(ii) the Assumption Agreement with respect to the Assumed Liabilities included in the Closing, executed by Buyer;

(iii) an Assignment and Assumption of Lease Agreement pertaining to each Lease included in the Closing, each executed by Buyer;

(iv) the License Agreement, duly executed by Buyer;

(v) the Assignment Agreement, duly executed by Buyer;

(vi) the Transition Services Agreement, duly executed by Buyer;

(vii) a certificate (in form and substance reasonably satisfactory to Sellers) executed by an officer of Buyer certifying that the conditions set forth in Sections 7.1 and 7.2 have been satisfied as of the Closing;

(viii) a certificate of the Secretary of Buyer certifying the incumbency and signatures of the officers of Buyer executing this Agreement, the Transaction Documents and any other document relating to the Contemplated Transactions;

(ix) a certificate of good standing of Buyer issued as of a recent date by the Secretary of State of the State of Texas;

(x) the Alcohol Escrow Agreement, executed by Buyer;

(xi) the Berlin ROFO Agreement executed by Buyer;

(xii) a cross receipt, executed by Buyer; and

(xiii) the Management Services Agreement, executed by Buyer (provided that any required approvals from the DOJ or the FTC have been obtained).

2.8 Continuing Contracts. Subject to receipt of the applicable Third Party Consents, Sellers' rights and obligations (except for any Liability arising out of or relating to a breach or default of any Continuing Contract by any Seller or its Affiliates that occurred prior to the Closing) under the Continuing Contracts will be transferred to Buyer at Closing pursuant to the Bill of Sale and the Assignment and Assumption Agreement. To the maximum extent permitted under the applicable Continuing Contract, Buyer will operate the Continuing Contracts from and after the Closing Date, receive all revenues and benefits therefrom, assume Sellers' executory obligations (except for any Liability arising out of or relating to a breach or default of any Continuing Contract by any Seller or its Affiliates that occurred prior to the Closing) under such Continuing Contracts, and exercise any and all rights of Sellers under such Continuing Contracts against the other party.

2.9 Condition of Assets. Except as otherwise specifically provided in this Agreement, Buyer agrees to take the Acquired Assets "AS IS", "WHERE IS", in such condition and state as the same may be on the Closing Date. Subject to Article 3, Buyer acknowledges that no warranty, either express or implied, as to the condition of the Acquired Assets or the merchantability or fitness thereof for a particular purpose, or any other warranty either express or implied, is made by any Seller. As used in this Agreement, the term "AS IS", "WHERE IS", subject to the representations and warranties made in Article 3 below and other than the Retained Liabilities, means as and where the Acquired Asset exists, including all faults, defects, claims, liens, and other conditions of every kind or description with respect to (a) the physical condition of the Asset, including defects seen and unseen and conditions natural and artificial, (b) the Permitted Exceptions, (c) the Continuing Contracts, (d) the financial operation and condition of the Acquired Asset, (e) compliance with all laws, ordinances, rules and regulations to which the Acquired Asset is subject, and (f) all claims, demands, actions or causes of action that relate in any way to such property or the ownership thereof, whether known or unknown; provided that in no event shall anything in this Section 2.9 limit or restrict any of the rights of Buyer under this Agreement, including with respect to (i) the representations and warranties made in Article 3 below, (ii) the Retained Liabilities, and (iii) Buyer's rights to indemnification pursuant to Article 10.

2.10 Tax and Other Adjustments.

(a) The following items accruing against Sellers with respect to the Acquired Assets and Assumed Liabilities prior to the year in which the applicable Closing occurs will be paid by Sellers and with respect to the year or month (as applicable) in which the Closing occurs, will be apportioned and prorated between Sellers and Buyer on and as of the Closing Date (provided, that if the precise amount of any item listed below cannot be ascertained on such Closing Date, apportionment and proration shall be computed on the basis of the amount paid, due from or payable for each respective item during the year, or month immediately preceding the period in which the Closing occurs and any prorations shall be adjusted thereafter on the basis of the actual charges for such items for the period in which the Closing occurs, which adjustment shall occur within fifteen (15) calendar days after receipt by the party owing the adjustment of the appropriate documentation supporting the actual charges, including, but not limited to, any billing or substantiation thereof received from the landlord related thereto:

(i) Subject to Section 2.10(b), rent, additional rent, common area maintenance and all other charges payable by Seller as tenant under the Leases that are payable on a monthly basis which are subject to year-end adjustment will be apportioned and prorated to the Closing Date and will be paid by (or the refund from the landlord paid to) Sellers and Buyer apportioned and prorated as of the Closing Date by multiplying a fraction, the numerator being the amount of the year-end adjustment and the denominator being 365, by (A) the number of days in the proration period from the beginning of such year to the Closing for the Sellers' proration and (B) the number of days following the Closing to the end of such year for Buyer's proration; provided that the percentage rent (taking into account any applicable credits or adjustments), if applicable, for a Theater will be prorated between Buyer and Sellers such that each party will be obligated to pay its proportionate share of the total percentage rent payable for such Lease year (such party's proportionate share to equal such party's respective gross receipts, box office receipts or gross sales (as applicable under and as defined in the Lease for determining percentage rent owed, the "Gross Receipts"), divided by the total Gross Receipts for the Theater for such Lease year). Within fifteen (15) days after the Closing, Sellers will provide Buyer with evidence of the amount of Gross Receipts accruing prior to the Closing for the Lease year in which the Closing occurs under the Lease. After Buyer calculates the amount of percentage rent in accordance with the Lease for the Lease year in which the Closing occurs, Buyer will notify the Seller Representative of such percentage rent amount, and upon the Seller Representative's receipt of documentation supporting such payment in form reasonably acceptable to the Seller Representative, the parties will make the payments required by this Section 2.10(a)(i).

(ii) Taxes imposed upon or assessed against a Seller with respect to any Acquired Asset (and not otherwise payable by a Seller as tenant under the respective Lease directly to the landlord thereunder, or payable by landlord without any obligation of payment on the part of such Seller) will be remitted to the collecting authorities by such Seller if the same are final due and payable on or before the Closing Date, and by Buyer if due and payable after the Closing Date; provided, however, that Buyer shall be reimbursed for any Taxes paid by Buyer relating to periods prior to the Closing and; provided, further, that Taxes imposed upon or assessed against a Seller or Buyer with respect to any Acquired Asset for the Lease year or tax year (whichever is applicable) in which the Closing Date occurs (the "Proration Period") will be apportioned and prorated between such Seller and Buyer on and as of the Closing Date with Buyer and Seller bearing the

expense of Buyer's or Sellers' proportionate share of such Impositions, which shall be equal to the product obtained by multiplying a fraction, the numerator being the amount of the Impositions and the denominator being 365, by (A) the number of days in the proration period from the beginning of such year to the Closing for the Sellers' proration and (B) the number of days following the Closing to the end of such year for Buyer's proration.

(iii) Utility or similar regular periodic charges relating to the Acquired Assets for which a final billing has not been requested by Sellers, any installment of rental payments and any such utility or similar charge payable with respect to the current period in which the Closing Date occurs shall be prorated between Sellers and Buyer on the basis of the actual number of days elapsed from the first day of such period to the Closing Date.

(b) Sellers and Buyer will also make such other adjustments or apportionments with respect to the Acquired Assets and the Assumed Liabilities as may be necessary to carry out the intention of the parties hereto so that Buyer will not be liable for obligations relating to periods prior to the Closing and Sellers will not be liable for obligations relating to periods from and after the Closing and that Sellers will bear all expenses and burdens, and will be entitled to all benefits and income, of and from ownership of the Acquired Assets prior to the Closing and Buyer will bear all such expenses and burdens and will be entitled to all such benefits and income, of and from ownership of the Acquired Assets from and after the Closing.

(c) Notwithstanding anything to the contrary contained herein, in no event will this Section 2.10 apply to (i) Liabilities assumed by Buyer pursuant to Section 9.3(b), (ii) any Liabilities with respect to any Maintenance Fees or Marketing Fees (as such terms are defined in the Vista License Agreement) under the Vista License Agreement, or (iii) the Old Gift Card Liabilities, the Specified Deferred Revenue Related Liabilities or inventory (each of which is the subject of Section 2.4).

3. REPRESENTATIONS AND WARRANTIES OF SELLERS.

Except as set forth in the disclosure schedule delivered by Sellers to Buyer concurrently with the execution and delivery of this Agreement (the "Disclosure Schedule") (provided that disclosure of any fact or item in any section of the Disclosure Schedule shall be deemed to be disclosed with respect to any other section so long as such disclosures are set forth with such specificity that the relevance of such disclosure to such other section is reasonably apparent), Sellers hereby represent and warrant to Buyer as of the Agreement Date and as of the Closing Date as follows:

3.1 Legal Status: Enforceability. Each Seller is a limited liability company duly organized, validly existing, and in good standing under the laws of the state of its formation. Each Seller has all requisite limited liability power and authority to lease or own the Acquired Assets, as applicable, to carry on its business in respect of its Acquired Assets, as now being owned and operated by it, to enter into this Agreement, and to perform its obligations hereunder. This Agreement and all documents executed by each Seller and delivered to Buyer in connection with this Agreement (including the Transaction Documents) will (assuming due authorization, execution and delivery by Buyer) constitute the valid, legal and binding obligations of such Seller enforceable against such Seller in accordance with its terms, except that enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting creditors' rights generally and by general equitable principles.

3.2 Authorization. This Agreement has been duly authorized, executed and delivered by each Seller. All agreements, instruments and documents herein provided (including the Transaction Documents) to be executed by a Seller are or on the Closing Date will be duly authorized, executed and delivered by such Seller. Each Seller has the authority to enter into this Agreement, the Transaction Documents to which it is a party and consummate the Contemplated Transactions.

3.3 Non-Foreign Status. Each Seller is not a foreign person selling property as described in the Foreign Investment in Real Property Tax Act and agrees to deliver a certificate at the Closing in form and substance reasonably satisfactory to Buyer reflecting that such Seller is not such a foreign person and provide such Seller's tax identification number (each, a "Tax Affidavit").

3.4 Financial Information.

(a) Set forth in Schedule 3.4(a) are the audited consolidated balance sheet, income statement and statement of cash flows for Rave Holdings, LLC as of December 31, 2009, December 30, 2010 and December 29, 2011 and for the fiscal year of Rave Holdings, LLC then ended (collectively, the "Financial Statements"). The Financial Statements were prepared in good faith in accordance with the Books and Records of Rave Holdings, LLC, and present fairly in all material respects the financial position of Rave Holdings, LLC, the assets and liabilities with respect to Rave Holdings, LLC as of such date, the results of Rave Holdings, LLC's operations and cash flows for the period covered thereby, in each case, in accordance in all material respects, with GAAP.

(b) Set forth in Schedule 3.4(b) are each Theater's trial balance (including attendance figures) as of (i) December 31, 2009, December 30, 2010 and December 29, 2011 and for the fiscal year then ended and (ii) July 26, 2012 and for the seven-month period then ended (collectively, the "Interim Operating Results"). The Interim Operating Results were prepared in good faith in accordance with the Books and Records of the relevant Seller, consistent with methods used to prepare the Financial Statements but do not contain the allocations, adjustments and footnotes contained in the Financial Statements and, therefore, are not and do not purport to be financial statements in accordance with GAAP.

3.5 Title; Leases and Use.

(a) Except for any real property included in the Excluded Assets, no Seller owns any real property.

(b) Schedule 1.1A includes a complete list of the Leases. As of the date hereof (i) each Lease is in full force and effect and each Seller has a good and marketable leasehold interest in each Leased Real Property (other than Leasehold Improvements) free and clear of all Encumbrances, subject to the Permitted Exceptions, (ii) subject to the terms of the applicable Lease, each Seller has good and marketable title to the Leasehold Improvements free and clear of all Encumbrances, subject to the Permitted Exceptions, (iii) Sellers have made available to Buyer

true and complete copies of the Leases (including all amendments, extensions, renewals and guarantees, and other material agreements with respect thereto) in effect as of the Agreement Date, and (iv) except as set forth in Schedule 3.5(b)(iv), there has not been any sublease, license, or other grant of occupancy rights of any Leased Real Property or any assignment of any Lease by Sellers that will extend beyond the Closing Date.

(c) There are no defaults or breaches (and, to the Knowledge of Sellers, no event has occurred or circumstance exists which, with the delivery of notice or passage of time or both, would constitute a default or breach, or permit the termination, modification, or acceleration of rent under such Lease) by Sellers, or, to the Knowledge of Sellers, by the landlords under the Leases.

(d) Each Seller's possession and quiet enjoyment of the Leased Real Property under such Lease has not been materially disturbed since December 29, 2011 and there are no material, pending disputes between any Seller, on the one hand, and any landlord or other Person, on the other hand, with respect to such Lease.

(e) Except as set forth in Schedule 3.5(e), no Lease contains an obligation of Sellers to maintain a security deposit of any kind for the benefit of the landlord and to the Knowledge of Sellers, no other Continuing Contract contains an obligation to maintain any security deposit. Schedule 3.5(e) sets forth a list of the amount of each security deposit under the Leases.

(f) Seller has good and marketable title to all of the Acquired Assets (other than the Leases and the Leasehold Improvements), free and clear of any Encumbrances (other than Permitted Exceptions) or restrictions on transfer.

(g) No work has been done and no materials have been furnished in connection with the erection, equipment, repair, protection or removal of any improvement at any Property outside of the ordinary course of business for which full payment or provision therefor has not been made.

(h) All existing water, sewer, steam, gas, electricity, telephone and other utilities required for the use, occupancy, operation and maintenance of the Property are adequate for the operation of the Theaters as they currently are operated by Sellers. All buildings, structures, improvements, fixtures, building systems and equipment, and all components thereof, included in the Property (the "Improvements") are in sufficient condition for the operation of the Property for the purposes for which it is currently being used. To Sellers' Knowledge, no Seller has received any written notice of any facts or conditions affecting any of the Improvements which would, individually or in the aggregate, interfere in any material respect with the use or occupancy of the Improvements or any portion thereof in the operation of the business for the purposes for which it is currently being used. No Seller has received any written notice to the effect that the current use and occupancy of a Property and the operation of the business thereon violates any easement, covenant, condition, restriction, or similar provision in any instrument of record or any Legal Requirement.

(i) The Leased Real Property is zoned for its present use under applicable zoning ordinances, and Seller has received no written notice of any pending or threatened actions or proceedings which would be reasonably likely to result in a modification of the zoning designation of the Leased Real Property.

(j) There are no brokerage or leasing fees or commissions or other compensations due and payable now or in the future on an absolute or contingent basis to any person, firm, corporation or other entity by Seller with respect to the Leases.

(k) Seller has not received written notice of any special assessments pending or proposed that would affect the Leased Real Property or any portion thereof.

(l) Schedule 3.5(l) includes a complete list of the Leased Tangible Property by Theater.

Notwithstanding the foregoing, none of the matters covered in Section 3.19 shall be subject to this Section 3.5.

3.6 Taxes and Assessments. Each Seller has filed with the appropriate Governmental Body all Tax Returns required to be filed by it with respect to the Acquired Assets and the operation of the Theaters. Each such Tax Return was complete and correct in all respects. Except as set forth on Schedule 3.6, no waiver of any statute of limitations relating to Taxes has been executed or given to any taxing authority by any Seller with respect to the Acquired Assets or the operation of the Theaters. Except as set forth on Schedule 3.6, with respect to all Taxes and/or Impositions assessed or assessable against any Seller relating to the Acquired Assets or arising from the operation of the Theaters (and interest or penalties relating to Tax deficiencies) for which non-payment by any Seller could result in an Encumbrance (other than a Permitted Exception) on the Acquired Assets or the imposition of Liability on or against Buyer, (a) there are no material outstanding unpaid claims or assessments against any Seller relating to the Acquired Assets or the operation of the Theaters or (b) as of the Closing Date, Sellers will have paid all such material Taxes and/or Impositions, interest and penalties then due and payable by Sellers. Except as set forth on Schedule 3.6 (which includes any Taxes which are being contested in good faith), Sellers have properly and timely withheld, collected and paid all Taxes that are required to be withheld, collected and paid under applicable Legal Requirements. There are no tax abatements, tax holidays or similar reductions in tax applicable to the Acquired Assets.

3.7 Environmental Matters

(a) Except as set forth on Schedule 3.7: (i) each Seller is in material compliance with all Environmental Laws; (ii) without limiting the generality of the foregoing, each Seller holds and is in material compliance with all material permits, licenses and other authorizations that are required pursuant to Environmental Laws for its operations as currently conducted and such permits, licenses and other authorizations are in full force and effect; (iii) no Seller has received any currently unresolved written notice of any material violation of, or material Liability (including any material investigatory, corrective or remedial obligation) under, any Environmental Laws; (iv) no Seller is subject to any material Order or material Proceeding pursuant to any Environmental Laws; (v) to Sellers' Knowledge, none of the following exists at

any Property operated by any Seller: (A) under or above-ground storage tanks, (B) asbestos containing material in any form or condition, (C) materials or equipment containing polychlorinated biphenyls, or (D) landfills, surface impoundments, or disposal areas; (vi) no conditions of Hazardous Substance contamination caused or created by any Seller exists on or under or is migrating from any of the Property (and, to Seller's Knowledge, no such Property is contaminated by any Hazardous Substance) and requires any Remedial Action by any Seller under Environmental Laws; (vii) no Seller has, either expressly or, to Sellers' Knowledge, by operation of any Legal Requirement, assumed or undertaken any material Liability, including any material obligation for Remedial Action, of any Person relating to Environmental Laws; and (viii) to Sellers' Knowledge, no facts, events or conditions relating to the past or present operations of Sellers, nor any of their predecessors or Affiliates, will materially prevent, hinder or limit continued compliance with Environmental Laws or give rise to any material Damages or any other material Liabilities under Environmental Laws.

(b) Sellers have made available to Buyer copies of all material environmental site assessments and environmental audit reports relating to the current operations of the Sellers, or any of the Leased Real Property, to the extent such documents are in the possession of the Sellers.

(c) This Section 3.7 contains the sole and exclusive representations and warranties of the Sellers with respect to environmental matters, including those arising under or relating to Environmental Laws.

3.8 Conformance to Laws. Except as set forth on Schedule 3.8, no Seller is currently in material violation of, and since December 19, 2009 has not been in material violation of, nor has any Seller or any of their Affiliates received any written notice from any Governmental Body regarding any actual, alleged or potential material violation of, or failure to comply in any material respect with any Legal Requirement (including Real Property Laws), Order or Governmental Authorization with respect to the Acquired Assets or the Theaters. Except as set forth on Schedule 3.8, no Seller has received any written notice that a Property is not in material compliance with all applicable building, zoning, health and safety laws, including The Americans with Disabilities Act of 1990, as amended, and all insurance requirements affecting the Property (collectively, the "Real Property Laws"), or that the current use or occupancy of any Property or operation of the Theaters violates in any material respect any Real Property Laws. Except as set forth on Schedule 3.8, the Permits used by any Seller in connection with the Acquired Assets or the Theaters are valid, in good standing and in full force and effect in all material respects, are all the material permits necessary for the operation of the Theaters and no Seller has nor have any of their Affiliates received since December 19, 2009 any written notice of any suspension, revocation, cancellation or non-renewal, in whole or in part, of any Permit. Notwithstanding the foregoing, none of the matters covered in Sections 3.6, 3.7, 3.11 or 3.19 shall be subject to this Section 3.8.

3.9 Compliance with Other Instruments. Except for such instruments as will be discharged on or before the Closing Date, the execution and delivery of this Agreement and the consummation of the Contemplated Transactions will not, result in or constitute any of the following: (a) an event that would permit any party to terminate a Lease or other Continuing Contract, or (b) a breach, violation, or default, or an event that with notice or lapse of time, or both, would constitute a breach, violation or default under the Governing Documents of any Seller, or

(c) a violation of any Order applicable to any Seller or by which any Acquired Assets are bound or to which any Acquired Assets are subject, or (d) except as set forth on Schedule 3.9, an event that would result in the creation or imposition of any Encumbrance (other than a Permitted Exception) on any of the Acquired Assets.

3.10 Actions or Proceedings. Schedule 3.10 sets forth each instance in which any Seller (a) is subject to any outstanding Order or (b) to Sellers' Knowledge, is a party to, the subject of or is threatened to be made a party to or the subject of, any Proceeding. Except as set forth on Schedule 3.10, there is no Proceeding pending, nor to Sellers' Knowledge is there any Proceeding which is currently threatened, against or affecting any Seller which (a) affects the validity or enforceability of this Agreement, (b) would be reasonably likely to affect the business, financial position or results of operations of the Acquired Assets or the Theaters taken as a whole, (c) would be reasonably likely to materially affect the ability of such Seller to perform its obligations hereunder, (d) would be reasonably likely to create an Encumbrance (other than a Permitted Exception) on the Acquired Assets, any part thereof or any interest therein, or (e) otherwise would affect, after the Closing, the Acquired Assets or the Theaters, or any interest therein, or the use, operation, condition or occupancy thereof. Since December 19, 2009, there have been no Proceedings of which the outcome could have reasonably likely have had a Material Adverse Effect. Notwithstanding the foregoing, none of the matters covered in Section 3.19 shall be subject to this Section 3.10.

3.11 Labor Matters. With respect to Seller Employees (i) no Seller is a party to any collective bargaining agreement and (ii) to the Knowledge of Sellers, no union organizing activities are underway or threatened. Since December 19, 2009, Sellers have not engaged in any material unfair labor practice, and there are no unfair labor practice complaints pending against Sellers before the National Labor Relations Board or any other Governmental Body. Sellers are in material compliance with all applicable Legal Requirements relating to the employment of labor at the Theaters, including those related to wages, hours, eligibility for and payment of overtime compensation, worker classification (including the proper classification of independent contractors and consultants), Tax withholding, collective bargaining, unemployment insurance, workers' compensation, immigration, harassment and discrimination in employment, disability rights and benefits, affirmative action, plant closing and mass layoff issues, occupational safety and health Legal Requirements. There is not now, nor has there been at any time during the past year, any strike, lockout, grievance or other labor dispute pending or, to the Knowledge of Sellers, threatened that materially and adversely affects the business at the Theaters or any of the Acquired Assets. Except as set forth on Schedule 3.11, to the Knowledge of Sellers, there is no material Proceeding with respect to violation of any such Legal Requirements that has been asserted or threatened against Sellers and is not finally resolved or that is now pending before any Governmental Body with respect to any Seller Employee, and no such Proceeding has been filed since December 19, 2009.

3.12 Brokers or Finders. Except as set forth on Schedule 3.12, no Seller or any of its Representatives or Affiliates has incurred any Liability for brokerage or finders' fees, agents' commissions or other similar payment in connection with the Contemplated Transactions.

3.13 Seller Benefit Plans.

(a) Schedule 3.13(a) contains a listing of each material “employee benefit plan” (as defined in Section 3(3) of ERISA), maintained by Sellers for the benefit of the Seller Employees and the Corporate Employees (each a “Seller Benefit Plan”).

(b) Except as set forth on Schedule 3.13(b), with respect to each Seller Benefit Plan which is intended to be a qualified plan within the meaning of Section 401(a) of the Code and from which a Seller Employee or Corporate Employee could receive a distribution intended to be an “eligible rollover distribution” within the meaning of Section 402(c)(4) of the Code, (i) such Seller Benefit Plan has received a favorable IRS determination letter, and (ii) the most recently received IRS determination letter for such Seller Benefit Plan has been made available to Buyer.

(c) Except as set forth on Schedule 3.13(c), the transactions contemplated by this Agreement will not cause an increase in or the acceleration of vesting in, or payment of, any benefits or compensation to any Seller Employee or Corporate Employee under any Seller Benefit Plan.

(d) No Seller sponsors, maintains, contributes to or is required to contribute to, or has any Liability with respect to, an “employee pension benefit plan” (as defined in Section 3(2) of ERISA) that is subject to Title IV of ERISA or that is a “multiemployer plan” as defined in Section 3(37) of ERISA, in each case where a Liability to Buyer would result.

(e) No Seller has incurred, or is expected to incur, any Liability under ERISA, including withdrawal liability within the meaning of Section 4201 of ERISA that could reasonably be expected to become a Liability of Buyer.

(f) Sellers have made available to Buyer a true, correct and complete listing (the “Benefits List”) as of November 9, 2012 of all Seller Employees and Corporate Employees, all former employees of the Sellers, and, in each case, their respective current and former spouses and dependents who are covered under a group health plan maintained by Seller or one of its Affiliates or who participate or are eligible to participate under COBRA in such plans.

(g) With respect to each “group health plan” (as defined in Section 607(1) of ERISA) maintained by Sellers and benefiting any current or former employee of Sellers, the Sellers have complied with the continuation coverage requirements of Section 4980B of the Code and Part 6 of Subtitle B of Title I of ERISA.

3.14 Employees.

(a) Sellers have made available to Buyer a true, correct and complete listing (the “Employee List”) as of the Agreement Date of Sellers’ employees at the Theaters and the Retained Theaters (including, by Theater, name, job title, hiring date, current annual compensation and bonus target, if applicable, full-time or part-time status and all accrued and unpaid or unused vacation benefits) (including employees of Sellers, if any, on sick leave, short-term or long-term disability, workers’ compensation, vacation, leave of absence, family medical leave or military leave of absence, in which case the type of leave, leave start date and expected return date will be included) (each, a “Seller Employee”, and collectively, the “Seller Employees”).

(b) Except as set forth on Schedule 3.14(b), no Seller has any Contract with any Seller Employee, including any Contract to provide any bonus or benefit to any such Seller Employee.

(c) Since December 19, 2009, no Seller has violated the Worker Adjustment and Retraining Notification Act (the “WARN Act”) or any similar state or local Legal Requirement.

3.15 Condemnation or Eminent Domain. Except as set forth on Schedule 3.15, Sellers have not received any written notice of any pending or, to Sellers’ Knowledge, threatened condemnation or eminent domain proceedings which would affect the Acquired Assets or any part thereof.

3.16 No Seller Bankruptcy Proceedings. No insolvency proceeding of any character, including, without limitation, bankruptcy, receivership, reorganization, composition, or arrangement with creditors, voluntary or involuntary, affecting any Seller or any of the Acquired Assets is pending or threatened. No Seller has taken any action in contemplation of, or that would constitute the basis for, the institution of any such insolvency proceedings.

3.17 Sufficiency of Assets. The Acquired Assets, together with the services that Sellers provide to the Theaters (whether or not such services form a part of the services included in the Transition Services Agreement, including all negotiations with respect to, and purchasing of, film rentals) and the Contracts set forth on Schedule 3.18 (whether or not such Contracts will be Continuing Contracts), are together sufficient to operate the Theaters immediately following the Closing in the same manner as currently conducted by the Sellers. Notwithstanding the foregoing, none of the matters covered in Section 3.19 shall be subject to this Section 3.17.

3.18 Contracts.

(a) Schedule 3.18(a) sets forth a list, as of the Agreement Date, of the following Contracts (other than the Title Documents) that relate to the Acquired Assets or the operation of the Theaters, and a true and complete copy of each such written Contract has been made available to Buyer:

(i) all employment and consulting Contracts relating to a Seller Employee or consultant at a Theater;

(ii) all Contracts (or group of related Contracts) pursuant to which a Seller (i) possesses or uses, or has agreed to acquire, license (as licensee), lease (as lessee), sell, license (as licensor) or lease (as lessor) any property or asset, including any Third Party Intellectual Property and (ii) is required to make payments, accrue expenses or incur charges, or is entitled to receive payments or book accounts receivable, in each case, in excess of \$35,000 per year;

(iii) all Contracts (or group of related Contracts), plans or programs pursuant to which payments, or an acceleration of or increase in benefits, may be required upon or after a change of control or sale of all or substantially all assets of a Seller;

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- (iv) all Contracts (or group of related Contracts) requiring capital expenditures by a Seller in excess of \$25,000 per year;
 - (v) all Contracts which create a partnership or joint venture to which a Seller is a party;
 - (vi) all Contracts (or group of related Contracts) of indemnification or similar commitment entered into in the five (5) year period prior to the date of this Agreement with respect to which the potential aggregate obligation of Sellers is in excess of \$25,000, including those that relate to a Seller's indemnification obligations to its directors and officers;
 - (vii) all Contracts pursuant to which a Seller provides management services or consulting services to Persons not affiliated with a Seller with respect to theaters or other real property projects;
 - (viii) all on-screen advertising and internet ticketing agreements to which a Seller is a party;
 - (ix) all Contracts governing any licensed or franchised business operated at any Theater (the "QSR Contracts");
 - (x) Contracts for the sale of any Acquired Assets (including inventory and equipment) other than in the ordinary course consistent with past practice;
 - (xi) Contracts requiring sureties in excess of \$25,000;
 - (xii) Contracts containing a covenant that expressly restricts any Seller or their respective Affiliates from engaging in any line of business or competing with any Person or materially limiting a Seller's activities or conduct with respect to the conduct of its business, any Theater or any Acquired Asset;
 - (xiii) Tax abatement Contracts or any similar Contract involving Taxes;
 - (xiv) Contracts for joint ventures, partnerships or other arrangements in which Sellers have an equity interest (other than a Person which is publicly traded);
 - (xv) settlement, conciliation or similar Contracts which impose on any Seller any payment or other material obligations after the Agreement Date; and
 - (xvi) any other Contracts not listed in (i) through (xv) above to which a Seller is a party under which the consequences of a default or termination could have a Material Adverse Effect.

(b) Except as set forth on Schedule 3.18(b), each Continuing Contract is valid and binding on the applicable Seller party to such Continuing Contract and, to the Knowledge of Sellers, the counterparties thereto, and is in full force and effect. Except as set forth on Schedule 3.18(b), no Seller is in material breach of, or material default under, any Continuing Contract to which it is a party nor, to Sellers' Knowledge, is the counterparty to any such

Continuing Contract in material breach of, or material default under, any Continuing Contract, nor does any event or condition exist that with notice, lapse of time or both would constitute a material breach or material default by any Seller, or to Sellers' Knowledge, any counterparty thereto. Except as set forth on Schedule 3.18(b), each Seller has performed in all material respects all obligations required to be performed by it to date under each Continuing Contract to which it is a party. Subject to obtaining the Third Party Consents and Landlord Consents and other than with respect to the Continuing Contracts that are listed as items three (3) through five (5) beneath clause (iii) of Schedule 3.18(a), no Continuing Contract includes any term, the effect of which will be to materially enlarge or accelerate any obligations to be assumed by Buyer thereunder, or will result in a material breach, default or violation of, or will terminate or lapse (or give rise to any termination right or option of any other party, in each case, with the giving of notice, lapse of time or both) by reason of the consummation of any of the Contemplated Transactions. True and complete copies of all Continuing Contracts have been made available for Buyer's review. No Seller is a party to any material oral Contracts.

(c) Schedule 3.18(c) sets forth the term of each QSR Contract.

3.19 Intellectual Property.

(a) Schedule 3.19(a) sets forth all of the (i) registrations and applications for registration of Intellectual Property ("Registered IP") and (ii) material trade names, trademarks, service marks, and software, included in the Acquired Intellectual Property. Except as set forth in Schedule 3.19(a), all filings and maintenance/renewal fees required to maintain the Registered IP have been timely filed with and paid to the relevant governmental authorities, and all such Registered IP is subsisting.

(b) The Acquired Intellectual Property, together with the rights granted by Rave Cinemas to Buyer under the Transition Services Agreement, constitute all the Intellectual Property necessary for Buyer to use the Acquired Assets and operate all of the Theaters in the same manner as currently conducted by the Sellers. Further, the Sellers: (i) own, exclusively or jointly with each other, all right, title and interest in and to the Acquired Intellectual Property free and clear of any liens or Third Party interests, except for Permitted Exceptions or (ii) to the Knowledge of the Sellers, have valid and enforceable rights to use the Acquired Intellectual Property (except to the extent the Acquired Intellectual Property is in the public domain), and, except as set forth in Schedule 3.19(b), immediately after Closing, Buyer shall own or have the right to use such Acquired Intellectual Property on substantially the same terms as the Sellers owned or had a right to use such Intellectual Property immediately before Closing.

(c) Except as set forth on Schedule 3.19(c)(i), to the Knowledge of the Sellers, the operation of the Theaters as presently conducted and the use or exercise of any of the Acquired Intellectual Property does not infringe or misappropriate the Intellectual Property rights of any other Person. Except as set forth on Schedule 3.19(c)(ii), with respect to the ownership of the Acquired Assets and the operation of the Theaters, no Seller has received any written or, to the Knowledge of the Sellers, oral, charge, complaint, claim, demand or notice alleging any infringement or misappropriation of any Intellectual Property rights of any Third Party that remains pending. Except as set forth on Schedule 3.19(c)(iii), no claims have been asserted and are pending against any of the Sellers (including before any Governmental Entity) challenging the use or validity of any Intellectual Property included in the Acquired Assets.

(d) Each Seller has taken commercially reasonable measures to maintain the confidentiality of the confidential and/or proprietary business information and trade secrets included in the Acquired Intellectual Property. To the Knowledge of the Sellers, no such trade secrets have been disclosed by any Seller (including by any of its current and former employees, agents, contractors, vendors, and customers) to an unauthorized Third Party.

3.20 Absence of Changes. Since December 29, 2011, (a) the Theaters have been operated, in all material respects, in the ordinary course of business consistent with past practice, including (i) maintaining insurance coverages presently existing on the Properties or as required under the terms of the Real Property Leases and (ii) securing all bookings, reservations, advance purchases and other similar arrangements related to current and future showings and (b) with respect to the Acquired Assets and the operation of the Theaters, Sellers have not:

(i) except as set forth on Schedule 3.20, engaged in any material transaction regarding the Theaters or the Acquired Assets except in the ordinary course of business as conducted on that date;

(ii) mortgaged, pledged or encumbered any Theater or Acquired Asset, other than those that will be released at or before the Closing or that would constitute a Permitted Exception;

(iii) materially amended or terminated any Contract of the type and kind required to be listed on Schedule 3.18, license, commitment, or permit with respect to the Acquired Assets, except in the ordinary course of business consistent with past practices;

(iv) made, changed or revoked any material election in respect of Taxes,

(v) adopted or changed any material accounting method, including in respect of Taxes, other than such adoption or change required by Legal Requirements,

(vi) entered into any Tax allocation, sharing, indemnity or similar agreement,

(vii) except as set forth on Schedule 3.20, settled or compromised any material claim, notice, audit, deficiency, or assessment in respect of Taxes if such settlement or compromise is reasonably likely to adversely affect the Acquired Assets with respect to any taxable period beginning on or after the Closing Date,

(viii) implemented any layoffs that could implicate the Worker Adjustment and Retraining Notification Act, as amended, or any similar state or local law, regulation or ordinance,

(ix) granted to any Seller Employee any increase in compensation or benefits, except in the ordinary course of business or except as required under any existing Contracts,

(x) changed, altered or terminated any promotions, credit, payment or other terms with any customer or vendor, except in the ordinary course of business,

(xi) damaged, rendered obsolete, transferred, leased, sold, abandoned or otherwise removed or disposed of any Acquired Assets from the Theaters or the Properties, other than in the ordinary course of business,

(xii) failed to maintain the tangible Acquired Assets (other than the Property) in such state of repair as is necessary for the conduct of the business in respect of the Acquired Assets and the Theaters in the ordinary course of business, including replacement in accordance with Sellers' practices during the twelve (12) months prior to the Agreement Date, of any inoperable, worn out or obsolete asset,

(xiii) failed to maintain the material Intellectual Property included in the Acquired Assets in the ordinary course of business,

(xiv) failed to maintain the Leased Real Property in substantially the same condition as the condition existing as of such date, ordinary wear and tear excepted, or demolished or removed any of the existing Improvements, or any portion thereof,

(xv) failed to maintain any Liquor Licenses in good standing, full force and effect, or

(xvi) agreed, whether or not in writing, to do any of the foregoing and neither the Acquired Assets nor the Theaters have incurred or sustained any Material Adverse Effect.

3.21 Suppliers. Except as set forth on Schedule 3.21, other than in connection with the expiration of a Continuing Contract in accordance with its terms, neither any Seller nor any of their Affiliates has received any written notice from any material supplier under a Continuing Contract to the effect that such supplier will stop, materially decrease the rate of, or materially change the terms (whether related to payment, price or otherwise) with respect to, supplying materials, products or services to any of the Theaters (whether as a result of the consummation of the Contemplated Transaction or otherwise). Schedule 3.21 sets forth a list of all material suppliers under a Continuing Contract from whom any Seller or its Affiliates has received written notice to the effect that, such supplier will stop, materially decrease the rate of, or materially change the terms (whether related to payment, price or otherwise) with respect to, supplying materials, products or services to any of the Theaters (whether as a result of the consummation of the Contemplated Transaction or otherwise) in connection with the expiration of such Continuing Contract.

3.22 Transactions with Affiliates. Except as set forth on Schedule 3.22, no Affiliate of any Seller owns any Asset, or is a material lessor, lessee, customer or supplier of the Theaters.

3.23 Insurance. Schedule 3.23, lists and describes all policies of insurance owned, held, or maintained by any Seller insuring the Acquired Assets, the Theaters and the Properties. Each such policy is valid and binding on the applicable Seller party thereto and, to the Knowledge of Sellers, the counterparties thereto, and is in full force

and effect and will continue to be in full force and effect until the Effective Time. Sellers have delivered or made available to Buyer copies of all such policies, together with all riders and amendments thereto. No Seller has received any reservation of rights letters from any of its insurers with respect to any insurance claims made during the last three (3) years. All premiums with respect to such policies are currently paid. No Seller (a) is currently in material breach or material default (including with respect to the payment of premiums or the giving of notices) with respect to its obligations under any such insurance policies, (b) has repudiated any provision of any such insurance policies in the last three (3) years, or (c) has been denied insurance coverage in the last three (3) years in respect of any Theater or any Property. No Seller has any self-insurance, deductible retention or co-insurance programs.

3.24 Termination of Network Affiliate Agreement. Sellers' Network Affiliate Agreement with National CineMedia, LLC immediately terminates with regard to the Theaters upon the Effective Time.

3.25 OFAC: Anti Money Laundering. None of Sellers or, to Sellers' Knowledge, any Affiliates of a Seller, (a) is in violation of any laws relating to terrorism, money laundering or the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001, Public Law 107 56 and Executive Order No. 13224 (Blocking Property and Prohibiting Transactions with persons Who Commit, Threaten to Commit, or Support Terrorism) (the "Executive Order") (collectively, the "Anti Money Laundering and Anti Terrorism Laws"), (b) are acting, directly or indirectly, on behalf of terrorists, terrorist organizations or narcotics traffickers, including those persons or entities that appear on the Annex to the Executive Order, or are included on any relevant lists maintained by the Office of Foreign Assets Control of U.S. Department of Treasury, U.S. Department of State, or other U.S. government agencies, all as may be amended from time to time, (c) conducts any business or engages in making or receiving any contribution of funds, goods or services to or for the benefit of any person included in the lists set forth in the preceding paragraph, (d) deals in, or otherwise engages in any transaction relating to, any property or interests in property blocked pursuant to the Executive Order, or (e) engages in or conspires to engage in any transaction that evades or avoids, or has the purpose of evading or avoiding, or attempts to violate, any of the prohibitions set forth in any Anti Money Laundering and Anti Terrorism Laws.

3.26 No Undisclosed Liabilities. To Sellers' Knowledge, there are no Liabilities or obligations of any Sellers that affect such Seller's ability to transfer title to the Acquired Assets free and clear of all liens and Encumbrances (except for Permitted Exceptions), whether accrued, absolute, contingent or otherwise, except those specifically described in the schedules attached hereto, and, to Sellers' Knowledge, there is no Liability or obligation of any nature whatsoever relating to the Theaters not incurred in the ordinary course of business or inconsistent with past practices.

3.27 Permits and Licenses. Seller has all necessary Permits required to carry on and conduct the business at the Theaters and to own and operate the Acquired Assets at the places and in the manner in which the business at the Theaters is conducted. Each such Permit, including each Liquor License, is free and clear of any and all liens and Encumbrances or any other obligations, and, to the extent permitted by law, is freely transferable to Buyer or Buyer Designee (if applicable, upon receiving any tax clearance certificates required by any Legal Requirement prior to such transfer). Except as set forth on Schedule 3.27 as of the date hereof, no Liquor

License has been issued under any “grandfathered” conditions or zoning approvals or other ordinances such that the transfer of such Liquor License is not permitted as a matter of right without additional required approvals or public hearings by any zoning or other Governmental Authority, or that any period of inactivity due to a temporary closing of a Theater for remodeling or any other purpose of Buyer would prevent the transfer of such Liquor License or would void existing zoning or other local or state approvals.

3.28 No Competitive Projects. To Sellers’ Knowledge, no Seller is currently pursuing, or planning to pursue, any business opportunity, project, venture or strategic alliance with any other Person (including any merger, consolidation, liquidation, recapitalization, share exchange or other business combination transaction involving any Seller or issuance of equity interests in any Seller or any acquisition of assets) pursuant to which any Seller or Affiliate of such Seller would directly or indirectly own, operate, manage or otherwise be engaged in the business of owning, operating or investing in movie theaters after the Closing, except with respect to any Retained Theater.

4. REPRESENTATIONS AND WARRANTIES OF BUYER.

Buyer hereby represents and warrants to Sellers as of the Agreement Date and as of the Closing Date as follows:

4.1 Legal Status; Enforceability. Buyer is a corporation duly organized, validly existing, and in good standing under the laws of the State of Texas. Buyer has all requisite corporate power and authority to purchase the Acquired Assets, to enter into this Agreement, and to perform its obligations hereunder. This Agreement and all documents executed by Buyer and delivered to Sellers in connection with this Agreement will (assuming due authorization, execution and delivery by Sellers) constitute the valid, legal and binding obligations of Buyer enforceable against Buyer in accordance with its terms, except that enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting creditors’ rights generally and by general equitable principles.

4.2 Authorization. This Agreement has been duly authorized, executed and delivered by Buyer. All agreements, instruments and documents herein provided to be executed by Buyer are or on the Closing Date will be duly authorized, executed and delivered by Buyer. Buyer has the authority to enter into this Agreement and the Transaction Documents and consummate the Contemplated Transactions.

4.3 Certain Proceedings. There is no Proceeding that has been commenced against Buyer and that challenges, or may have the effect of preventing, delaying, making illegal or otherwise interfering with, any of the Contemplated Transactions. To Buyer’s Knowledge, no such Proceeding has been threatened.

4.4 Brokers or Finders. Neither Buyer nor any of its Representatives or Affiliates have incurred any Liability for brokerage or finders’ fees or agents’ commissions or other similar payment in connection with the Contemplated Transactions for which any Seller or its Affiliates will have any Liability.

4.5 Financing. Buyer has, and will have on the Closing Date, sufficient funds available in order to pay the Cash Purchase Price and the fees and expenses of Buyer related to the transactions contemplated thereby, and to assume and pay the Assumed Liabilities in accordance with the terms of such Assumed Liabilities. To Buyer's Knowledge, there is no circumstance or condition that, in the aggregate with all other circumstances and conditions, could reasonably be expected to prevent or substantially delay the availability of such funds at the Closing.

4.6 OFAC: Anti Money Laundering. Buyer (a) is not in violation of any Anti Money Laundering and Anti Terrorism Laws, (b) is not acting, directly or indirectly, on behalf of terrorists, terrorist organizations or narcotics traffickers, including those persons or entities that appear on the Annex to the Executive Order, or are included on any relevant lists maintained by the Office of Foreign Assets Control of U.S. Department of Treasury, U.S. Department of State, or other U.S. government agencies, all as may be amended from time to time, (c) does not conduct any business or engage in making or receiving any contribution of funds, goods or services to or for the benefit of any person included in the lists set forth in the preceding paragraph; (d) does not deal in, or otherwise engage in any transaction relating to, any property or interests in property blocked pursuant to the Executive Order; or (e) does not engage in or conspire to engage in any transaction that evades or avoids, or has the purpose of evading or avoiding, or attempts to violate, any of the prohibitions set forth in any Anti Money Laundering and Anti Terrorism Laws.

5. COVENANTS PRIOR TO CLOSING.

5.1 Theater Operations. From and after the Agreement Date through the Closing Date or the earlier termination of this Agreement, Sellers will (i) maintain the Acquired Assets and the Theaters in good working condition in a manner not less favorable than maintenance standards previously used by Sellers to maintain the Acquired Assets and the Theaters, (ii) complete maintenance capital expenditures for the Theaters in the ordinary course of business, (iii) comply in all material respects with all applicable Legal Requirements, (iv) perform in all material respects all obligations under all Contracts and Leases relating to or affecting the Theaters or the Properties, (v) maintain their Books and Records in accordance with past practice in all material respects, (vi) promptly advise Buyer of any event that has had or would reasonably be expected to have a Material Adverse Effect, and (vii) except as set forth on Schedule 5.1, operate the Property and the Theaters in a businesslike manner in the ordinary course of business consistent with past practices. Except as otherwise provided in this Agreement or on Schedule 5.1, from and after the Agreement Date, no Seller will, without the prior written consent of Buyer (which consent will not be unreasonably withheld, conditioned or delayed):

(a) sublease (or lease with respect to Leasehold Improvements (as applicable)) any of the Leased Real Property or, in respect of any Theater, enter into any other Contract for the use or occupancy of any real property, other than Permitted Exceptions; provided, however, that this Section 5.1(a) shall not apply to any occupancy agreements for a term of forty-eight (48) hours or less or any other occupancy agreement that is terminable without penalty on thirty (30) days (or less) prior notice, provided, that the rights under any such agreement shall not extend past the Closing Date;

(b) remove any Acquired Assets from any Theater (except in the ordinary course of business and to the extent necessary for ordinary course repairs and replacement with property of like kind and quality);

(c) modify, extend, renew, terminate or amend (i) any Lease or (ii) the EPT Agreement or any attachment thereto or restrictive easement agreement in connection therewith;

(d) fail to maintain, in full force and effect, insurance comparable in amount and scope of coverage to insurance carried by it as of the Agreement Date;

(e) enter into any agreement or instrument that expressly places an Encumbrance (other than a Permitted Exception with Buyer's written consent, not to be unreasonably withheld, provided, that no such consent shall be required with respect to any mechanics liens and similar liens for labor, materials or supplies, which liens, if known, quantifiable and for work that has been completed in full, will be released on or before the Closing) on the Acquired Assets, the Theaters or the Properties after the Closing, that would be binding on Buyer, the Acquired Assets, the Theaters or the Properties after the Closing;

(f) enter into, terminate or modify any Continuing Contract;

(g) assign, license, or otherwise transfer or encumber any Intellectual Property owned by Seller or any of its subsidiaries that is used or held for use or allow to lapse or abandon any registrations or applications for such Intellectual Property;

(h) adopt any collective bargaining agreement;

(i) fail to maintain the Liquor Licenses in good standing, full force and effect; or

(j) take any action that would cause any of the changes, events or conditions described in Section 3.20 to occur.

5.2 Legal Requirements.

(a) As promptly as practicable after the Agreement Date (and in any event within five (5) Business Days thereafter), Buyer and Sellers will make, or cause to be made, their respective filings, and thereafter make any other required submissions, under the HSR Act with respect to the Contemplated Transactions. Each party will (i) use commercially reasonable efforts to cooperate with the other party to make all such filings and obtain any such authorizations, consents, orders and approvals and (ii) request and use commercially reasonable efforts to obtain the termination of the waiting period provided for in the HSR Act as soon as practicable. In addition, Buyer and Sellers shall use their commercially reasonable efforts to defend through litigation on the merits any claim asserted in court by any party in order to avoid entry of, or to have vacated or terminated, any decree, order or judgment (whether temporary, preliminary or permanent), including any Preventative Litigation, that would prevent the consummation of the Closing in a manner that would permit the consummation of the Closing to occur as soon as reasonably practical in accordance with the terms of this Agreement; provided, however, that notwithstanding the foregoing, nothing herein shall be construed to require Buyer or Sellers to settle any such Preventative Litigation.

(b) Promptly after the Agreement Date, Buyer and Sellers will make, or cause to be made, all filings required by Legal Requirements to be made by them, and will use commercially reasonable efforts to take, or cause to be taken, all actions reasonably necessary, in each case, to consummate the Contemplated Transactions as soon as reasonably practical in accordance with the terms of this Agreement, and will use their commercially reasonable efforts to promptly obtain any authorizations, consents, orders and approvals required by Legal Requirements to consummate the Contemplated Transactions. Buyer and Sellers will use their commercially reasonable efforts to cooperate with the other parties making all such filings and obtaining any such authorizations, consents, orders and approvals.

(c) Each party hereto shall, to the extent permitted by law and subject to applicable privileges (including the attorney-client and attorney work product privileges), promptly notify the other parties of any communication it or any of its Affiliates receives from any Governmental Body relating to the matters that are the subject of this Agreement and permit the other party to review in advance any proposed communication by such party to any Governmental Body. No party hereto shall agree to participate in any meeting with any Governmental Body in respect of any filings, investigation or other inquiry relating to the matters that are the subject of this Agreement unless it consults with the other party in advance and, to the extent permitted by such Governmental Body, gives the other party the opportunity to attend and participate at such meeting. Subject to the Confidentiality Agreement, the parties to this Agreement will (i) coordinate and cooperate fully with each other in exchanging such information and providing such assistance as the other party may reasonably request in connection with the foregoing and in seeking early termination of any applicable waiting periods and (ii) provide each other with copies of all correspondence, filings or communications between them or any of their representatives, on the one hand, and any Governmental Body or members of its staff, on the other hand, with respect to this Agreement and the Contemplated Transactions; provided, however, that materials may be redacted as necessary to comply with contractual arrangements or to address reasonable attorney-client or other privilege or confidentiality concerns.

(d) No party hereto shall (i) extend any waiting period or agree to refile under the HSR Act (except with the prior written consent of the other parties hereto, which consent shall not be unreasonably withheld, conditioned or delayed) with respect to the Contemplated Transactions or (ii) enter into any agreement with any Governmental Body agreeing not to consummate the Contemplated Transactions.

(e) Buyer shall promptly take, at its sole cost and expense, any and all actions (including divesting or agreeing to divest applicable Theaters or any other theaters of Buyer or Buyer's Designee) that may be reasonably necessary to obtain the expiration or termination of the waiting period under the HSR Act from the United States Department of Justice (the "DOJ") or the Federal Trade Commission (the "FTC"), unless the DOJ or the FTC require Buyer to divest Theaters with July LTM TCF greater than \$8,000,000 in the aggregate (the "Divesture Limit"), in which case, Buyer will not be obligated to consummate the Closing and either Sellers or Buyer will have the right to terminate this Agreement pursuant to Section 8.1. In the event that the DOJ or the FTC require Buyer to divest Theaters as a result of any transaction entered into by Buyer

after the date of this Agreement with a party other than Sellers that, in the absence of which, such divestiture would not be required, then Buyer shall be required to comply with such divestiture requirement and the LTM TCF of such divested Theater shall not be counted toward the Divestiture Limit.

(f) Set forth on Schedule 5.2(f) is a list of each Liquor License and any Permits required to obtain or maintain a Liquor License, full and complete copies of which have been provided by Sellers to Buyer. Promptly after the Agreement Date, each party shall give and make, or cause to be given and made, any and all applications, notices and reports required to be given and made by such party, and/or useful to facilitate the transfer of such Liquor Licenses and such Permits, and/or the issuance of new licenses, to the appropriate Persons. Sellers shall cooperate with Buyer, at Buyer's expense, in the preparation and signing of the applications to transfer the Liquor Licenses and such Permits to Buyer or Buyer's designee and with any escrow that would be required under governing law, including, with respect to the California Liquor License, the allocation of consideration to the California Liquor License, the personal property furniture, fixtures and equipment used in the liquor licensed business, and the California alcoholic beverage inventory in the amount of \$68,000 (together, the "Alcohol Escrow Amount"), the establishment of the Alcohol Escrow Agreement as required by California Business & Professions Code Section 24074 with the Alcohol Escrow Agent, and the deposit of the Alcohol Escrow Amount in accordance with the Alcohol Escrow Agreement on the Closing Date. Each party shall, prior to the Closing, use its commercially reasonable efforts to cooperate with the other in any manner reasonably requested by the other in connection with Buyer obtaining at or prior to the Closing the regulatory approvals or consents as may be required by any Governmental Body in order for Buyer to obtain all Liquor Licenses and other Permits (including any temporary Permits or other provisional rights to sell and serve alcohol and to operate issued to Buyer ("Temporary Permits") necessary to maintain continuity of the sale and service of alcoholic beverages and the continued theater operations at each Theater, including, but not limited to, executing and providing any requested support documentation and/or affidavits with regard to any such Liquor License or Permits; provided, that if such Liquor Licenses, Temporary Permits and other Permits necessary to maintain continuity of sale and service of alcoholic beverages and the theater operations at a Theater for a period not to exceed one hundred eighty (180) days following the Closing have not been received prior to the Closing, Sellers shall, pursuant to the Transition Services Agreement and at Buyer's sole cost and expense, continue to operate each such Theater until such Liquor Licenses, Temporary Permits and other Permits necessary to maintain continuity of service of alcoholic beverages and the theater operations for a reasonable period of time following the Closing have been obtained.

(g) Notwithstanding anything to the contrary in this Agreement, (i) Buyer's obligations to enter into the Management Services Agreement, any Transition Services Agreement, or any other management services or transition services agreement, will be subject to the successful receipt of any Third Party consents and authorizations, consents, orders or approval of any Governmental Body or under any Legal Requirement required in connection with such agreements and (ii) Buyer shall not have any obligation or responsibility to pay or any liability for any incremental costs or expenses incurred in connection with the receipt of any authorizations, consents, orders or approvals referred to in the foregoing clause (i).

5.3 Required Third Party Approvals or Consents.

(a) Each Seller will (i) promptly give any required notice to the applicable Third Party under the Leases and the Continuing Contracts and (ii) use its reasonable best efforts (which shall not include the payment of any consideration therefor (except if such payments are required as a reimbursement of reasonable costs and expenses of the applicable Third Party under the applicable Lease or Continuing Contract in connection with the transfer thereof or if Buyer agrees to reimburse Sellers for such payment) or agreement to relinquish or modify any material rights in exchange therefor) to obtain (A) the Landlord Consents, (B) the Third Party Consents, and (C) the unconditional release of any guarantee, indemnity, surety, letter of credit or similar undertaking made or granted by Seller or any of its Affiliates of any Seller's obligations under any Lease or Continuing Contract, each of which is listed on Schedule 5.3(a) (each item in (C), a "Seller Credit Enhancement").

(b) Buyer will cooperate and use its reasonable best efforts to assist Sellers in (i) giving such notices and (ii) obtaining (which shall not include the payment of any consideration therefor or agreement to relinquish or modify any material rights in exchange therefor) (A) the Landlord Consents, (B) the Third Party Consents, and (C) the unconditional release of any Seller Credit Enhancement (including by providing, or causing Buyer to provide, a guarantee in replacement of, such Seller Credit Enhancement). In connection with the foregoing, (x) if Buyer and Seller are unable to procure a Landlord Consent, Buyer shall structure such assignment by changing any designated assignee of such Leased Real Property for which it has been unable to procure a Landlord Consent to Buyer and (y) Buyer and Sellers will cooperate and consult with each other to prepare and deliver to the landlords under those Leases which require Landlord Consent or that contain a Seller Credit Enhancement, truthful and accurate information that is reasonably calculated to obtain each such Landlord Consent (in a form that is designed to relieve the applicable Seller from post-Closing liability under such Lease) and to attempt to release any Seller Credit Enhancement under such Lease and, as soon as practicable following written request from Sellers, Buyer shall provide Sellers with references to or copies of such public filings of Buyer requested by any applicable landlord. Notwithstanding anything herein to the contrary, nothing in this Agreement shall (a) limit or otherwise affect the assumption by Buyer of all Assumed Liabilities, (b) require Cinemark Holdings, Inc. to become the designated assignee under any Contract (including, without limitation, under any Lease) or to provide any guaranty or replacement of any Seller Credit Enhancement, or (c) require Buyer to acquire any entities, securities, stock, limited liability company interests or any other equity interests.

5.4 Access . Subject to the restrictions of any applicable Legal Requirement, between the Agreement Date and the Closing Date, Sellers shall provide Buyer and its respective Representatives, reasonable access (to the extent within the control of Sellers) during reasonable hours and in a manner so as not to interfere unreasonably with the business operations of the Acquired Assets and Theaters, to (i) the vendors (including concessionaires) to the Theaters, (ii) the utility and telecom providers to the Theaters and the Properties, (iii) the Seller Employees and consultants engaged in the information technologies capabilities and other infrastructure of the Theaters, (iv) any suppliers of equipment to the Theaters and Properties, (v) any other material business relationship of the Theaters and Properties, and (vi) the Contracts as they relate to the ownership of the Acquired Assets and the operation of the Theaters, and Sellers shall cause their Representatives to furnish to Buyer and its respective Representatives any and all financial,

technical and operating data and other information pertaining to the ownership of the Acquired Assets and the operation of the Theaters as Buyer shall from time to time reasonably request. Upon Buyer's reasonable request, prior to the Closing, Sellers shall use their commercially reasonable efforts to assist Buyer with (a) its preparation for the post-Closing integration of Sellers' information technology systems, including, without limitation (A) the development of software interfaces between, and integration of, Sellers' software and Buyer's software, including VPN connectivity and (B) the integration of historical data of Sellers into Buyer's information technology systems, it being understood that no actual integration of technology systems shall occur until after the Closing, and (b) subject to the immediately preceding sentence, communication with Sellers' landlords with respect to any reasonable request of Buyer's lenders with respect to Buyer's debt financing. Notwithstanding anything contained herein to the contrary, (x) a Representative of Sellers shall have the right to be present when Buyer or its Representatives access any of Sellers' premises and (y) neither Buyer nor its Representatives shall interfere unreasonably with the use, occupancy or enjoyment of any tenants, subtenants or other occupants of any Property or their respective employees, contractors, customers or guests. Buyer shall use commercially reasonable efforts to perform all reviews on an expeditious and efficient basis.

5.5 Exclusivity; No Solicitation of Transactions; Acquisition Proposal. From the Agreement Date until the Termination Date or, if earlier, the termination of this Agreement (the "Exclusivity Period"), no Seller shall, and each Seller shall cause its Affiliates and Representatives not to, directly or indirectly solicit, initiate or take any action to knowingly facilitate or encourage the submission of, or negotiate, or enter into any agreement or understanding with respect to, any Acquisition Proposal. If, during the Exclusivity Period, either Seller or any of its Affiliates or Representatives receives an Acquisition Proposal, then Sellers shall promptly (x) notify Buyer thereof (provided that it need not identify the Third Party that submitted such Acquisition Proposal or any of the terms thereof) and (y) notify the Third Party that submitted such Acquisition Proposal that Sellers have entered into a definitive purchase agreement (which notification shall not identify Buyer or any of its Affiliates or any terms of this Agreement or any Transaction Document). For the avoidance of doubt, any proposal or offer from a Third Party to the extent relating to the acquisition of an Excluded Asset shall not be deemed an Acquisition Proposal, and shall not be governed by this Section 5.5.

5.6 Notice of Developments. Seller Representative and Buyer shall promptly notify the other party in writing of any fact, change, condition, circumstance or occurrence or non-occurrence of any event of which it is aware that will or is reasonably likely to result in any condition set forth in Sections 6.1, 6.2, 7.1 or 7.2 becoming incapable of being satisfied.

5.7 Estoppel Certificates. From and after the Agreement Date through the Closing Date or until the earlier termination of this Agreement, Sellers shall use their commercially reasonable efforts to obtain the Estoppel Certificates from each applicable landlord, and shall deliver copies of such Estoppel Certificates to Buyer promptly upon receipt thereof; provided, that in no event will the receipt of any such Estoppel Certificate (other than the Required Estoppel Certificates) by a landlord be a condition of Buyer's obligation to consummate the transactions contemplated to occur at the Closing.

5.8 Tax Clearance Certificates. From and after the Agreement Date through the Closing Date or until the earlier termination of this Agreement, Sellers shall use their commercially reasonable efforts to obtain any tax clearance certificates required in connection with the transfer of any Liquor Licenses and/or the application for new licenses, and shall deliver copies of such certificates to Buyer promptly upon receipt thereof; provided, that in no event will the receipt of any such certificates be a condition of Buyer's obligation to consummate the transactions contemplated to occur at the Closing.

5.9 Vista License Agreement. Sellers shall pay the full amount of the base Maintenance Fees of \$313,000 and Marketing Fee of \$795,000 under the Vista License Agreement on or prior to the Closing.

6. CONDITIONS PRECEDENT TO BUYER'S OBLIGATION TO CLOSE.

Buyer's obligation to consummate the transactions contemplated to occur at the Closing is subject to the satisfaction, at or prior to the Closing, of each of the following conditions (any of which may be waived by Buyer in writing, in whole or in part):

6.1 Accuracy of Representations. Each of (i) the Seller Fully Indemnified Representations shall be true and correct in all material respects as of the Closing Date as though made on and as of the Closing Date, except to the extent the Seller Fully Indemnified Representations are made on and as of a specified date, in which case the same shall continue on the Closing Date to be true and correct in all material respects as of the specified date and (ii) the representations and warranties of Sellers set forth in Article 3, other than the Seller Fully Indemnified Representations, shall be true and correct in all respects as of the Closing Date as though made on and as of the Closing Date, except (A) to the extent such representations and warranties are made on and as of a specified date, in which case the same shall continue on the Closing Date to be true and correct as of the specified date and (B) to the extent that the facts, circumstances, occurrences, changes or effects that cause such representations and warranties to not be true and correct as of such dates have not had a Material Adverse Effect (provided that for purposes of the foregoing clause (B), qualifications as to materiality and Material Adverse Effect contained in such representations and warranties shall not be given effect other than those set forth in clause (b) of Section 3.20).

6.2 Sellers' Performance. All of the covenants, obligations and agreements that Sellers are required to perform or comply with under this Agreement at or before the Closing will have been performed and complied with in all material respects.

6.3 Encumbrances Discharged. Any mortgages, liens, security interests, claims, charges and other Encumbrances with respect to the Theaters and the Acquired Assets, except for Permitted Exceptions, shall have been terminated or otherwise discharged (with appropriate evidence thereof having been delivered to Buyer) or Buyer shall have received UCC-3 termination statements and other fully executed terminations and/or releases necessary to terminate or otherwise discharge such mortgages, liens, security interests, claims, charges and other Encumbrances, other than the Permitted Exceptions. Schedule 6.3 contains a complete list of all Encumbrances that will be terminated or otherwise discharged on or before Closing.

6.4 No Pending Preventative Litigation. No Proceeding or investigation shall have been instituted and pending before or by any court or Governmental Body (a) to restrain or prevent the carrying out of the Contemplated Transactions by this Agreement and (b) that could reasonably be expected to materially affect Buyer's right to own, operate, and control any of the Designated Theaters and the Acquired Assets after the Closing Date (" Preventative Litigation").

6.5 No Injunction. No Legal Requirement or Order will be in effect that prohibits the consummation of the Contemplated Transactions.

6.6 No Material Adverse Effect. Since the Agreement Date, no Material Adverse Effect shall have occurred.

6.7 Affected Property. No Designated Theater is an Affected Property as of the Closing Date.

6.8 Excluded Damaged Theaters. No more than three (3) Designated Theaters have been designated as Excluded Damaged Theaters as of the Closing Date.

6.9 Required Estoppel Certificates. Seller shall have obtained and delivered to Buyer each of the Required Estoppel Certificates.

6.10 Governmental Approvals. Any waiting period required by the DOJ or the FTC, with respect to the HSR Act, shall have expired, lapsed or been terminated, or such review shall have been completed and approved, as appropriate.

6.11 Landlord Consents. Sellers shall have received the Landlord Consents that relate to Leases listed on Schedule 1.1B and delivered such executed Landlord Consents to Buyer.

6.12 Employee List and Benefits List. Buyer shall have received a true, correct and complete Employee List and Benefits List, updated as of a date no more than seven (7) days prior to the Closing Date.

6.13 Berlin ROFO Agreement. Rave Berlin, LLC shall have executed and delivered the Berlin ROFO Agreement.

6.14 Closing Deliverables. Buyer will have received each of the items listed in Section 2.7(a).

7. CONDITIONS PRECEDENT TO SELLERS' OBLIGATIONS TO CLOSE.

Sellers' obligation to consummate the transactions contemplated to occur at the Closing is subject to the satisfaction, at or prior to the Closing, of each of the following conditions (any of which may be waived by Sellers in writing in whole or in part):

7.1 Accuracy of Representations. The representations and warranties of Buyer set forth in Article 4 shall be true and correct in all respects as of the Closing Date as though made on and as of the Closing Date, except (A) to the extent such representations and warranties are made on and as of a specified date, in which case the same shall continue on the Closing Date to be true

and correct as of the specified date and (B) to the extent that the facts, events and circumstances that cause such representations and warranties to not be true and correct as of such dates have not had and would not reasonably be expected to have a material adverse effect on Buyer's ability to consummate the Contemplated Transactions (provided that for purposes of the foregoing clause (B), qualifications as to materiality contained in such representations and warranties shall not be given effect.

7.2 Buyer's Performance. All of the covenants, obligations and agreements that Buyer is required to perform or to comply with under this Agreement at or before the Closing will have been duly performed and complied with in all material respects.

7.3 No Pending Preventative Litigation. No Preventative Litigation shall have been instituted and pending before or by any court or Governmental Body.

7.4 No Injunction. No Legal Requirement or Order will be in effect that prohibits the consummation of the Contemplated Transactions.

7.5 Governmental Approvals. Any waiting period required by the DOJ or the FTC, with respect to the HSR Act, shall have expired, lapsed or been terminated, or such review shall have been completed and approved, as appropriate.

7.6 Required Theaters. The Required Theaters shall not be Affected Properties.

7.7 Closing Deliverables. Sellers will have received each of the items listed in Section 2.7(b).

8. TERMINATION.

8.1 Termination Events. By written notice given prior to or at the Closing, subject to Section 8.2, this Agreement may be terminated as follows:

(a) By Buyer with written notice to Sellers:

(i) if Sellers have breached this Agreement such that the conditions set forth in Section 6.1 or 6.2 are incapable of being satisfied and Buyer has not waived such breach in writing or Sellers have not cured such breach within the lesser of (i) thirty (30) days and (ii) the number of days remaining before the Termination Date, after receipt of written notice from Buyer asserting such breach;

(ii) if Sellers fail or refuse to close this Agreement and all conditions in Article 7 have been or would be satisfied at the Closing;

(iii) if any condition in Article 6 has not been satisfied as of the Termination Date or the satisfaction of such a condition by such date is or becomes impossible (other than, in each case, primarily as a result of the failure of Buyer to comply with its obligations under this Agreement), and Buyer has not waived such condition in writing; provided, however, that if the sole condition in Article 6 that has not been satisfied as of the Termination Date is Section 6.4, then Buyer may not terminate this Agreement pursuant to this clause (iii) unless the applicable Preventative Litigation has been filed and pending (without being withdrawn, settled or otherwise dismissed) for a period of 60 days; or

(iv) in connection with the rejection by Buyer of any amendment by Sellers of any Schedule to this Agreement as provided in clause (b) of Section 9.11.

(b) By Sellers with written notice to Buyer:

(i) if Buyer has breached this Agreement such that the conditions set forth in Section 7.1 or Section 7.2 are incapable of being satisfied and Sellers have not waived such breach in writing or Buyer has not cured such breach within the lesser of (i) thirty (30) days and (ii) the number of days remaining before the Termination Date, after receipt of written notice from Sellers asserting such breach;

(ii) if Buyer fails or refuses to close this Agreement and all conditions in Article 6 have been or would be satisfied at the Closing; or

(iii) if any condition in Article 7 has not been satisfied as of the Termination Date or the satisfaction of such a condition by such date is or becomes impossible (other than, in each case, primarily as a result of the failure of Sellers to comply with their obligations under this Agreement), and Sellers have not waived such condition in writing; provided, however, that if the sole condition in Article 7 that has not been satisfied as of the Termination Date is Section 7.3, then Sellers may not terminate this Agreement pursuant to this clause (iii) unless the applicable Preventative Litigation has been filed and pending (without being withdrawn, settled or otherwise dismissed) for a period of sixty (60) days.

(c) By mutual written consent of Buyer and Sellers;

provided, however, that no party shall have the right to terminate this Agreement pursuant to Section 8.1(a) or 8.1(b) unless such party has provided written notice to the non-terminating party at least two (2) Business Days prior to the date such party intends to terminate this Agreement, setting forth in reasonable detail the reason for such intended termination and the Section of this Article 8 pursuant to which such party intends to terminate this Agreement.

8.2 Effect of Termination . In the event of the termination of this Agreement pursuant to Section 8.1, this entire Agreement shall forthwith become void (and there shall be no liability or obligation on the part of Buyer or Sellers) with the exception of (a) those rights and Liabilities that expressly survive termination and (b) any liability of any party for any willful breach of this Agreement prior to such termination (which, for the avoidance of doubt, shall be deemed to include any failure by Buyer to consummate the transactions contemplated by this Agreement if it is obligated to do so hereunder). In addition, in the event that Sellers terminate this Agreement pursuant to Section 8.1(b)(iii) at a time when the only condition in Article 7 that has not been satisfied (other than those that would be satisfied at the Closing) is the condition set forth in Section 7.6, then Sellers shall pay to Buyer a fee in connection with such termination in the amount of \$750,000.

9. ADDITIONAL COVENANTS.

9.1 Payments of Transfer or Recording Tax. Buyer is solely responsible for the payment of any transfer, sales, use, recording or value added taxes (including, for purposes of clarity, those with respect to the recordation of the Davenport Deed and any transfer taxes associated therewith) that may be imposed by any Governmental Body in connection with the transfer of the Acquired Assets to Buyer.

9.2 Petty Cash and Inventory Amount. At the close of business on the day prior to the Closing Date, Seller Representative (and its Representatives) shall conduct, and Buyer (and its Representatives) shall observe, a physical counting of the Cash and Cash Equivalents and the inventory at each Theater to determine the amount of Petty Cash and the Inventory Amount at each such Theater to be transferred on the Closing Date.

9.3 Employees.

(a) Offer of Employment. Prior to and effective upon the Closing, Buyer shall make written offers of employment on the terms set forth in Section 9.3(b) and with substantially the same job description, to not less than ninety-eight percent (98%) of all Active Seller Employees. During the Pre-Closing Period, Sellers will make all employees of Rave Cinemas that work at the Corporate Headquarters (the “Corporate Employees”) reasonably available to Buyer for employment interviews. At the Closing, Buyer will have the option, in its sole discretion, to attempt to hire any Corporate Employee. To the extent such offers of employment are accepted, upon accepting such offers of employment, effective as of the Closing Date, such Corporate Employees and Active Seller Employees’ employment with Sellers shall terminate. “Active Seller Employees” are all Seller Employees, including those Seller Employees on a short-term approved leave of absence pursuant to the leave policies of any Seller, or on vacation or layoff status, but excluding any employees on military leave, short-term or long-term disability or any other type of medical leave or otherwise absent from work on the applicable Closing Date (collectively, the “Non-Active Seller Employees”). With respect to Non-Active Seller Employees, if any Non-Active Seller Employee presents himself or herself to Buyer for active employment upon expiration of such Non-Active Seller Employee’s leave, Buyer shall offer, or cause to be offered, employment to such Non-Active Seller Employee upon his or her return to the extent required by Legal Requirements or to the extent otherwise determined by Buyer, in its sole and absolute discretion. All Seller Employees and Corporate Employees who receive offers of employment from Buyer pursuant to this Section 9.3(a) are referred to herein as “Offer Employees”.

(b) Terms of Employment. Buyer shall initially provide, or shall cause its subsidiaries to initially provide, all of the Offer Employees who accept offers of employment by Buyer (the “Transferred Employees”) with employee benefit plans and arrangements substantially similar to those being offered to other similarly situated employees of Buyer and subject to eligibility requirements. To the extent Sellers are required by Legal Requirement to pay or discharge in cash upon consummation of the Contemplated Transactions any Accrued Vacation Payments earned by Transferred Employees (other than Transferred Employees employed at a Retained Theater), Buyer shall reimburse Seller for such Accrued Vacation Payments upon receipt of sufficient evidence of such payment to such Transferred Employees. Buyer shall assume all Accrued Vacation Payments for those Transferred Employees (it being acknowledged that Sellers

have agreed to be responsible for the payment of certain costs and expenses of Transferred Employees employed at a Retained Theater pursuant to and in accordance with the Management Services Agreement) to whom Sellers are not required by Legal Requirements to pay or discharge in cash upon consummation of the Contemplated Transactions any Accrued Vacation Payments. Sellers agree that, except to the extent required by applicable Legal Requirements or the terms of the applicable plan or arrangement, no changes will be made to Sellers' vacation policies subsequent to the Agreement Date. Buyer shall assume all visa liabilities and obligations for any Transferred Employees that are both Corporate Employees and foreign nationals.

(c) Employee Benefits. As of the Closing Date, each Transferred Employee shall, except to the extent required by applicable Legal Requirements or the terms of the applicable plan or arrangement, cease to be an active participant under any employee benefit plans and arrangements maintained by any Seller or any of its Affiliates and shall be entitled to immediately enroll and participate in the employee benefit plans and arrangements substantially similar to those being offered to other similarly situated employees of Buyer to the extent such Transferred Employees meet the eligibility requirements of such employee benefit plan or arrangement. Buyer shall cause each Transferred Employee to receive credit for service with any Seller or any of its Affiliates and predecessors under any welfare benefit plan, vacation plan, 401(k) plan or severance pay plan established or maintained by Buyer for purposes of eligibility and vesting (but not for purposes of benefit accrual) to the same extent credited under a similar plan maintained by Sellers as of the Closing; provided, however, that in no event shall such credit result in the duplication of benefits. In addition, Buyer shall: (A) waive or cause to be waived in the plan year in which the Closing occurs any limitations as to pre-existing conditions, evidence of insurability, exclusions and waiting periods with respect to participation and coverage requirements for Transferred Employees under any health benefit plan of Buyer (except to the extent such conditions, exclusions or waiting periods would apply under the then-existing plans in which such Transferred Employees were participating immediately prior to the applicable Closing) and (B) credit, or cause to be credited Transferred Employees for deductibles or out-of-pocket accruals consistent with Buyer's health benefit plans paid on or prior to the Closing Date during the year in which the applicable Closing Date occurs in satisfying any deductible or out-of-pocket requirements.

(d) 401(k) Plan. Effective as of the Closing Date, the Transferred Employees will cease to participate in any plan that is intended to be qualified under Section 401(a) of the Code for the employees of Sellers or any of their Affiliates (the "Seller Savings Plan"), and Sellers shall cause each Transferred Employee who was participating in the Seller Savings Plan immediately prior to the Closing Date, and who had a positive account balance in the Seller Savings Plan as of the Closing Date, to become fully vested in such account as of the Closing Date. As of the Closing Date or as soon as administratively practicable thereafter, Sellers shall contribute to the Seller Savings Plan for the benefit of the Transferred Employees (i) all contributions due with respect to the last pay period ending prior to the Closing Date and (ii) all employer and employee contributions to which the Transferred Employees are entitled with respect to compensation earned by the Transferred Employees through the Closing Date, irrespective of any end-of-year service or other requirements otherwise applicable to such contributions. Buyer shall take such actions as are necessary to provide that a plan maintained by Buyer or one of its Affiliates that would be treated under Section 414 of the Code as a single employer with Buyer and qualified under Section 401(a) of the Code will accept rollovers of "eligible rollover distributions" (within the meaning of Section 401(a)(31) of the Code and to the extent that the administrator of

such plan has reasonably concluded that such contributions are valid rollover contributions pursuant to Section 1.401(a)(31)-1, Q&A-14, of the Treasury Regulations) made in cash, but also including rollovers of loan promissory notes, to Transferred Employees from the Seller Savings Plan.

(e) COBRA Liability. Buyer agrees that Buyer shall be solely responsible for satisfying the continuation coverage requirements of Section 4980B of the Code and the regulations thereunder for all individuals who are “M&A qualified beneficiaries” as such term is defined in Treasury Regulation Section 54.4980B-9 with respect to any group health plan of any Seller; provided, however that in no event shall this clause (e) be construed to impose any obligation on Buyer to provide health benefits in excess of those required under Section 4980B of the Code and the regulations thereunder with respect to such M&A qualified beneficiaries. Buyer shall cause one or more of its group health plans to send COBRA eligibility notices to any “M&A qualified beneficiaries”, to the extent such individuals have been identified on the Benefits List, at the last known mailing address for such individuals as set forth on such Benefits List (it being acknowledged and agreed that Sellers shall, at least three (3) Business Days prior to the Closing Date, provide to Buyer Books and Records containing the names and last known mailing addresses of all such M&A qualified beneficiaries, the group health plans of any Seller under which each such individual is covered, and the date of, and description of, the qualifying event for which COBRA eligibility applies to such individual).

(f) No Third Party Beneficiaries. Nothing in this Section 9.3, express or implied, is intended to confer on any Person other than the parties hereto or their respective successors and assigns any rights, remedies, obligations or Liabilities under or by reason of this Agreement. No provision of this Section 9.3 shall be deemed the adoption of, or an amendment to, any employee benefit plan, as that term is defined in Section 3(3) of ERISA, or subject to compliance with the provisions of this Section 9.3, otherwise limit the right of Sellers, Buyer, or their respective Affiliates, to amend, modify or terminate any such employee benefit plan. Nothing in this Section 9.3 shall create any Third Party beneficiary rights in any employee or any beneficiary or dependents thereof, including any Transferred Employee, or in any Person other than the parties to this Agreement.

9.4 Tax Cooperation and Exchange of Information . Sellers and Buyer shall provide each other with such assistance as reasonably may be requested by either of them with respect to the Acquired Assets or Assumed Liabilities in connection with (a) the preparation of any Tax return, amended Tax return or claim of refund or (b) any audit or other examination by any taxing authority, or any judicial or administrative proceedings relating to Liability for Taxes; provided, however, in no event shall Sellers or their Affiliates be required to provide Buyer with access or copies of Sellers’ or their Affiliates’ income Tax returns. Sellers and Buyer will make themselves (and their respective employees) available, on a mutually convenient basis, to provide explanations of any documents or information provided under this Section 9.4. Any information obtained under this Section 9.4 shall be kept confidential, except as may be otherwise necessary in connection with the filing of Tax Returns or claims for refund or in conducting an audit or other proceeding.

9.5 Post-Closing Access. Subject to the restrictions of any applicable Legal Requirement, Sellers, on the one hand, and Buyer, on the other hand, shall, following the Closing and upon reasonable notice, afford such other party or parties and their Representatives reasonable access (including the right to make photocopies, at the sole cost and expense of the parties requesting such access), to the extent necessary in connection with Sellers' operation of the Theaters prior to the Closing Date or Buyer's operation of the Theaters after the Closing Date, during normal business hours and in a manner so as not to interfere unreasonably with such other party or parties, to such other party's or parties' records related solely to the Theaters, including upon specific request, a complete copy of the Books and Records to the extent permitted by applicable Legal Requirements and to the extent such Books and Records are under such other party's or parties' or their Affiliates' control.

9.6 Risk of Loss.

(a) The risk of loss, damage or destruction to any of the Acquired Assets, Theater or Property from fire or other casualty or cause (a "Casualty Loss") shall be borne by Sellers at all times prior to the Closing Date. Upon the occurrence of a Casualty Loss, the proceeds of any claim for any Loss, payable under any insurance policy with respect thereto, shall be used to repair, replace or restore any such property to its condition immediately prior to such casualty, subject to the conditions stated below. It is expressly understood and agreed that, in the event of any Casualty Loss to any of the Acquired Assets, Theaters or Properties from fire, casualty or other causes before the Closing, Sellers shall notify Buyer of same in writing as promptly as practicable (a "Casualty Notice"). Such Casualty Notice shall specify with particularity the Casualty Loss incurred, the cause thereof (if known or reasonably ascertainable) and the insurance coverage.

(b) If the damaged property is not repaired, replaced or restored to its condition immediately prior to such casualty on or before the Closing Date and the Estimated Repair Cost is less than \$250,000 or the Estimated Repair Time is less than sixty (60) days, then Buyer shall accept such Theater at the Closing in its condition as of the Closing Date and withhold from the Purchase Price an amount equal to one hundred ten percent (110%) of the Estimated Repair Cost less any amounts paid by Sellers' to Buyer at the Closing pursuant to clauses (2) and/or (3) of this Section 9.6(b), and Sellers shall assign to Buyer the right to any unpaid proceeds under any applicable insurance policies (including business interruption insurance but only to the extent related to periods from and after the Closing) at the Closing and Sellers shall pay to Buyer at the Closing an amount equal to (1) the Make Whole Payment plus (2) all proceeds actually received with respect to such Casualty Loss under such applicable insurance policies that have not yet been reinvested in the restoration of such Theater plus (3) the amount of any unpaid deductible with respect to any such insurance policies to be so assigned to Buyer; provided that Sellers shall be entitled to, and Buyer shall pay over to Sellers (i) any portion of the Purchase Price withheld in excess of the actual out-of-pocket Repair Cost paid by Buyer and (ii) promptly after its receipt of, any post-Closing theater level cash flow collected by Buyer at such Theater during the post-Closing Estimated Repair Time used in calculating the applicable Make Whole Payment (as set forth in the definition thereof).

(c) If the damaged property is not repaired, replaced or restored to its condition immediately prior to such casualty on or before the Closing Date and the Estimated Repair Time is more than sixty (60) days, Buyer may elect, in writing, no later than four (4) Business Days after receipt by Buyer of the Estimated Repair Cost and Estimated Repair Time with respect to such damaged property to designate such Damaged Theater as an Excluded Damaged Theater and reduce the Purchase Price by the Affected Property and Casualty Adjustment Amount applicable to such Excluded Damaged Theater.

9.7 Affected Property and Excluded Damaged Theaters.

(a) If any Affected Property is a Designated Theater, Buyer shall have no obligation to close. If an Affected Property is not a Designated Theater, Buyer may elect, in writing, no later than two (2) Business Days prior to the Closing Date, to exclude such Affected Property from the purchase by the Buyer and reduce the Purchase Price by the amount of the Affected Property and Casualty Adjustment Amount applicable to such Affected Property.

(b) If any Affected Property ceases to be an Affected Property within one (1) year after the Closing Date (which, for purposes of the forgoing, with respect to any Affected Property (x) described in clause (i) of the definition thereof, means the applicable required Landlord Consent or Required Estoppel Certificate is obtained, and/or (y) described in clause (ii) of the definition thereof, means the applicable Title Defect or new Encumbrance that is not a Permitted Exception is cured (in each case, a “Cured Property”)) or any Excluded Damaged Theater ceases to be a Damaged Theater within one (1) year after the Closing Date (which, for purposes of the forgoing, with respect to any Excluded Damaged Theater, means such Theater is repaired, replaced and restored to its condition immediately prior to such casualty (also, a “Cured Property”)), then by no later than ten (10) Business Days after the date such Affected Property or Excluded Damaged Theater becomes a Cured Property but always subject to the conditions set forth in Sections 6.3 and 6.5 being satisfied with respect to such Cured Property, the applicable Sellers shall sell, transfer, convey, assign and deliver to Buyer, and Buyer shall purchase and assume, such Cured Property and its Related Assets and Liabilities, in each case, pursuant to currently dated instruments of assignment and assumption and such other customary documents in connection with such applicable closing, substantially in the same form as the comparable instruments of assignment and assumption and other documents entered into in connection with the Closing. The aggregate consideration to be paid by the Buyer to Sellers for any Cured Property shall be an amount equal to (a)(i) the Affected Property and Casualty Adjustment Amount with respect to such Cured Property, plus (ii) the Petty Cash located at such Cured Property as of the close of business on the day prior to it being sold to Buyer, as determined pursuant to a physical counting of such Petty Cash, plus (iii) the Inventory Amount with respect to inventory located at such Cured Property as of the close of business on the day prior to it being sold to Buyer, as determined pursuant to a physical counting of such Inventory, plus (iv) the amount of the security deposit listed on Schedule 2.3 under the applicable Lease for such Cured Property that is reasonably expected to be returned to the lessee thereunder upon such lessee exiting the applicable premises in accordance with the terms and conditions of such Lease, minus (v) the aggregate amount of Old Gift Card Liabilities and Specified Deferred Revenue Related Liabilities, in each case, notwithstanding the definitions thereof, determined as of immediately prior to the transfer of such Cured Property plus (b) the assumption of the liabilities included in the Related Assets and Liabilities with respect to such Cured Property, notwithstanding the definition thereof, determined as of immediately prior to the transfer of such Cured Property. The aggregate consideration set forth in the forgoing sentence shall be subject to adjustment in the manner and following the same procedures set forth in Section 2.4 as applied to such Cured Property.

(c) At any time during period beginning on the Closing Date and ending on the earlier of (x) the date that all Affected Properties and Excluded Damaged Theaters have become Cured Properties and have been sold to Buyer as set forth in clause (a) above and (y) the one year anniversary of the Closing Date, Sellers shall (i) cause each Affected Property and Excluded Damaged Theater to be operated in a businesslike manner in the ordinary course of business consistent with past practices, (ii) will not sell or otherwise transfer the Affected Properties or Excluded Damaged Theaters or any of their respective Related Assets and Liabilities (other than in the ordinary course of business consistent with past practice), and (iii) not permit there to be any Encumbrance (other than Permitted Exceptions) on any Affected Property or Excluded Damaged Theater or any of their respective Related Assets and Liabilities.

9.8 Title Documents. Buyer hereby (a) acknowledges receipt of a leasehold owner's title commitment from First American Title Insurance Company for each Property (collectively, the "Title Commitments") and all documents referenced therein (collectively, the "Title Exception Documents" and, together with the Title Exception Documents and the Title Commitments collectively, the "Title Documents"), and (b) approves the status of title to each Property as shown in the Title Documents as of the date of this Agreement, except for those items set forth on Schedule 9.8 (the "Title Defects"). Seller, at its cost, shall use commercially reasonable efforts to cure all Title Defects prior to the Closing Date. Seller shall deliver to Buyer updated Title Commitments dated no earlier than thirty (30) days prior to the Closing Date (collectively, the "Updated Commitments"). If the Updated Commitment for any Property discloses (x) any uncured Title Defect, or (y) any new Encumbrance which is not a Permitted Exception, then Buyer may elect in writing no later than four (4) Business Days prior to the anticipated Closing Date to designate such Property as an Affected Property for all purposes under this Agreement.

9.9 Utility Transfer. Each Seller will cause all utility service at the Theaters to be discontinued in such Seller's name as of the Closing Date or as soon as practicable thereafter and Buyer will be responsible for re-establishing such utility service in Buyer's name. Any deposits of Sellers held by utility companies (along with any other security deposits of Sellers other than those set forth on Schedule 2.3), to the extent actually received by Buyer, will be returned to Sellers, and Buyer will be responsible for continuing service with and making its own deposits with the utility companies.

9.10 Further Assurances. The parties will cooperate reasonably with each other and with their respective Representatives in connection with any steps required to be taken as part of their respective obligations under this Agreement, and will (a) furnish upon request to each other such further information; (b) execute and deliver to each other such other documents; and (c) do such other acts and things, all as the other party may reasonably request for the purpose of carrying out the intent of this Agreement and the Contemplated Transactions, in each case, including with respect to facilitating the subdivision and transfer of any Excess Land.

9.11 Schedule Updates. Between the Agreement Date and the Closing, Sellers shall update any of the Schedules to this Agreement referenced in Article 3 of this Agreement to reflect changes in the items listed therein that to Sellers' Knowledge have arisen after the Agreement Date and before the Closing. Sellers shall update these Schedules by delivering the updated Schedule(s) to Buyer with instructions to substitute the updated Schedule(s) in place of the appropriate original Schedule(s). Any updated Schedule that Sellers deliver to Buyer under this Section 9.11 will be

substituted in place of the appropriate original Schedule and thereafter be part of this Agreement; provided, that, if the changes reflected in the updated Schedule are necessary to satisfy the conditions set out in Section 6.1, then Buyer may either (a) accept the updated Schedule (in which case it will be substituted in place of the appropriate original Schedule and thereafter be part of this Agreement) or (b) reject the updated Schedule (in which case Buyer may terminate this Agreement under Section 8.1) by written notice thereof to Sellers provided within five (5) Business Days after such updated schedule is delivered to Buyer (it being acknowledged and agreed that in the event no such rejection is so delivered to Sellers within such five (5) Business Day period, such update shall be deemed to have been accepted by Buyer). Notwithstanding the forgoing, without Buyer's prior written consent, in no event will any such updated Schedule be deemed to cause any Contract to become a Continuing Contract or Lease that is not a Continuing Contract or Lease as of the date hereof for the period prior to the Closing.

9.12 Pre-Sold Passes; Gift Cards. From and after the Closing, Buyer shall honor all outstanding "Rave" branded directors' tickets, discount tickets and directors' passes and "Rave" branded gift cards, but only to the extent of the related liabilities at Closing as listed pursuant to the first sentence of Section 2.4(a).

9.13 Real Estate Tax Benefits. Buyer acknowledges that appeals have been filed (or prior to Closing will be filed) which may result in claims for refunds of overpayments with respect to, or subsequent reductions to, real estate taxes paid with respect to the Leased Real Property for the periods prior to the Closing. Subject to the following sentence, Buyer and Seller agree that Buyer shall pay to Seller the amount of any such refunds received in cash by Buyer (with such amount to be paid as soon as practicable and in any event within 10 Business days after receipt thereof), or as a reduction in rent payable (with such amounts to be so paid by Buyer as and when Buyer actually realizes the benefit of such reduction in rent), by Buyer under the applicable Lease after the Closing Date, in each case, so long as such refunds are not related to the relinquishment or modification of any rights under the Leases. Buyer shall pay to Seller the amount of any such refund for a taxable period that includes but does not end on the Closing Date multiplied by a fraction, the numerator of which is the number of days in the applicable tax period up to and including the Closing Date and the denominator of which is the number of days in the applicable tax period. Buyer and Seller shall cooperate with the Third Parties identified on Schedule 9.13 with respect to such appeals, and the mutual written consent of Buyer and the Seller Representative shall be required to approve any change with respect to Third Parties handling such appeals or approve any settlement of any such appeals. Any consent or approval of Buyer and the Seller Representative pursuant to this Section 9.13 shall not be unreasonably withheld, delayed or conditioned. Sellers acknowledge and agree that Buyer may retain the Third Parties retained by Sellers or other Third Parties in the discretion of Buyer to file or prosecute any appeals relating to any of the Theater properties not being pursued by Sellers as of the Effective Time. Schedule 9.13 lists all such appeals being made by Sellers and, to Sellers' Knowledge, other Third Parties that are being sought as of the date hereof (it being acknowledged that there may be other appeals being sought) and identifies any Third Parties engaged by Sellers as of the date hereof to file or prosecute any such appeals on behalf of Sellers.

9.14 Davenport Pad Site. Promptly following the last to occur of (a) the final, non-appealable approval by the applicable governmental authority of the replatting of the Davenport Pad Site, and (b) receipt by the applicable Seller of fee simple title to the Excess

Property of which the Davenport Pad Site forms a part, but in no event prior to the Closing Date, Seller shall cause fee simple title to the Davenport Pad Site to be conveyed to Buyer by a special warranty deed, in customary and recordable form in the State of Iowa (the “Davenport Deed”), on an “as is, where is” basis and with no representations and warranties whatsoever other than the warranty of title set forth in the Davenport Deed. On the date that the Davenport Pad Site is transferred to Buyer or its Affiliates pursuant to the Davenport Deed, if such date is after the Closing Date, Buyer shall pay to Sellers \$750,000 by wire transfer of immediately available funds to an account designated by Seller Representative. Notwithstanding anything to the contrary herein, this Section 9.14 shall survive the Closing.

10. INDEMNIFICATION; REMEDIES.

10.1 Survival. The representations and warranties in this Agreement and the Transaction Documents shall survive the Closing Date as follows:

- (a) The representations and warranties contained in Section 3.1 (Legal Status; Enforceability), Section 3.2 (Authorization) and Section 3.12 (Brokers or Finders) shall survive indefinitely;
- (b) The representations and warranties contained in Section 3.7 (Environmental Matters) shall terminate on the three (3) year anniversary of the Closing Date;
- (c) The representations and warranties contained in Section 3.6 (Taxes and Assessments) and Section 3.13 (Seller Benefit Plans), shall terminate sixty (60) days after the expiration of the applicable statute of limitations with respect to the Liabilities in question (after giving effect to any extensions or waivers thereof); and
- (d) All other representations and warranties contained herein shall terminate on the eighteen (18) month anniversary of the Closing Date; provided, however, that any claims of a breach of any such surviving representation or warranty made in good faith and provided to the other party in a written notice given on or prior to such termination date specified above shall survive until such claim has been fully resolved.

10.2 Indemnification and Reimbursement by Sellers. To the fullest extent permitted under Legal Requirements, from and after the Closing, Sellers will indemnify and hold harmless and will reimburse Buyer and its Affiliates, and their respective officers, directors, employees, agents, successors and assigns for any Liability, Loss, Tax, fine, award, judgment, penalty, damage or expense, including reasonable attorneys’ fees of external counsel, actually suffered or incurred by them (collectively, “Damages”), to the extent arising out of or from, as a result of or relating to any:

- (a) breach of any representation or warranty made by any Seller in this Agreement or any Transaction Document, or any certificate or other document delivered by any Seller under this Agreement or any Transaction Document;
- (b) breach of any covenant of any Seller in this Agreement or any Transaction Document or in any certificate or other document delivered by any Seller under this Agreement or any Transaction Document;

(c) Liability arising out of the WARN Act, the Bulk Sales Act or similar bulk sales or transfer laws, or any similar state or local Legal Requirement due to Seller's actions or omissions occurring prior to the Closing Date; and

(d) Excluded Asset or Retained Liability.

10.3 Indemnification and Reimbursement by Buyer. To the fullest extent permitted under Legal Requirements, Buyer will indemnify and hold harmless and reimburse Sellers and their Affiliates, and their respective officers, directors, employees, agents, successors and assigns for any Damages, to the extent arising out of or from, as a result of, relating to or in connection with any:

(a) breach of any representation or warranty made by Buyer in this Agreement or any Transaction Document or in any certificate or other document delivered by Buyer under this Agreement or any Transaction Document;

(b) breach of any covenant of Buyer in this Agreement or any Transaction Document or in any certificate or other document delivered by Buyer under this Agreement or any Transaction Document;

(c) Liability arising out of the ownership or operation of the Acquired Assets after the Effective Time (including, for purposes of clarity, with respect to any Damages arising out of or from, as a result of, relating to or in connection with any such Liability arising out of the ownership or operation of the Acquired Assets after the Effective Time for which any Seller has a continuing obligation to pay, reimburse or otherwise indemnify any other Third Party under any Lease or other Contract), but only to the extent such Liability is not a Retained Liability;

(d) any Assumed Liability; and

(e) Liability arising out of any Seller Credit Enhancement after the Closing.

10.4 Limitations on Indemnification. Notwithstanding any other provision of this Agreement to the contrary:

(a) Except with respect to remedies and obligations, including indemnification obligations, that are specifically set forth in the Transaction Documents, and except for fraud and equitable relief, after the Closing, a party's right to indemnification under Section 10.2 or Section 10.3 against Buyer and Sellers, as applicable, shall be the sole and exclusive remedy for any breach of any representation, warranty or covenant of Sellers or Buyer (i) under this Agreement, (ii) under the Transaction Documents, or (iii) otherwise arising from or in connection with the Contemplated Transactions (whether a contract claim, a tort claim, a statutory claim or otherwise).

(b) No party will have any Liability with respect to any claim of the other party for indemnification under Section 10.2(a) or Section 10.3(a), as applicable, unless on or before the applicable expiration date for making a claim specified in Section 10.1, the party seeking indemnification notifies in good faith the other party in writing of a claim for indemnification, specifying the factual basis of the claim for indemnification in reasonable detail.

(c) If any event occurs that would otherwise entitle a party to assert a claim for indemnification under Section 10.2 or Section 10.3, as applicable, such party will be deemed not to have sustained any Damages to the extent of any proceeds such party actually receives, net of costs reasonably incurred by the party securing such proceeds (including increased premiums to the extent readily identifiable), from a Third Party insurer from any insurance policies regarding the claim (excluding any deductibles or self-insured retentions and payments, proceeds or recoveries under a so-called “self-insurance” system).

(d) No claim for a breach of representation or warranty (other than with respect to a representation or warranty set forth in Section 3.1 (Legal Status; Enforceability), Section 3.2 (Authorization), clause (f) of Section 3.5 (Title), Section 3.6 (Taxes and Assessments), Section 3.12 (Brokers or Finders), Section 3.13 (Seller Benefit Plans), Section 3.22 (Transactions with Affiliates) and in the certificate required to be delivered by Sellers pursuant to Section 2.7(a)(iv) as it relates to the preceding representations of Sellers (collectively, “Seller Fully Indemnified Representations”), Section 4.1 (Legal Status; Enforceability), Section 4.2 (Authorization) or Section 4.4 (Brokers or Finders) and in the certificate required to be delivered by Buyer pursuant to Section 2.7(b)(vii) as it relates to the preceding representations of Buyer (collectively, “Buyer Fully Indemnified Representations”) or any such breach that constitutes fraud) will be actionable or payable pursuant to Section 10.2(a) or Section 10.3(a) unless the indemnifiable Damages with respect to the valid claims for all such breaches collectively aggregate to more than \$1,000,000 (the “Deductible”), in which case indemnification will be for the amount of such Losses in excess of the Deductible, and the full amount of such valid claims will be actionable up to, but not exceeding, \$20,000,000 (the “Liability Cap”). In no event will either party’s aggregate Liability (i) for breaches of representations or warranties (other than with respect to any Seller Fully Indemnified Representations or Buyer Fully Indemnified Representations or any such breach that constitutes fraud) pursuant to Section 10.2(a) or Section 10.3(a), as applicable, exceed the amount of the Liability Cap or (ii) in any event (including with respect to any Seller Fully Indemnified Representations and Buyer Fully Indemnified Representations, but not including any such breach that constitutes fraud) exceed the amount of the Cash Purchase Price.

(e) No party hereto shall have any Liability under any provision of this Agreement or any Transaction Document for any punitive, consequential (whether in the nature of lost profits, diminution in value or otherwise not actual Losses), special or indirect damages, relating to the breach or alleged breach of this Agreement or any Transaction Document. Each Person entitled to indemnification under this Agreement shall take all commercially reasonable steps to mitigate Losses after becoming aware of any event which could reasonably be expected to give rise to Losses that are indemnifiable or recoverable hereunder or in connection herewith; provided, that in no event shall the foregoing require any such Person to pursue any legal rights and remedies available to such Person other than under insurance policies that provide for coverage with respect to such Losses.

(f) For the purpose of this Article 10, any inaccuracy in or breach of any representation or warranty (other than those contained in Sections 3.4(a) and 3.20(xvi)) shall be determined without regard to any materiality, Material Adverse Effect or other similar qualification contained in or otherwise applicable to such representation or warranty (it being acknowledged, for purposes of clarity, that the foregoing does not apply to any dollar thresholds or knowledge qualifiers contained in or otherwise applicable to such representation or warranty).

10.5 Procedure for Indemnification – Generally . If a Person intends to seek indemnification under Section 10.2 or Section 10.3 (an “Indemnified Person”), the Indemnified Person must give prompt written notice to the Person obligated to indemnify under that Section (an “Indemnifying Person”) specifying in reasonable detail the basis for seeking indemnification. The Indemnified Person’s failure to notify the Indemnifying Person will not relieve the Indemnifying Person of Liability to any Indemnified Person except to the extent that the defense of such indemnification claim is actually prejudiced by the Indemnified Person’s failure to give a timely Claim Notice, and then any such Liability of an Indemnifying Person shall be relieved only to the extent of such prejudice.

(a) The Indemnifying Person will have the right to eliminate or mitigate its indemnification obligation under this Article 10 by affecting a cure of any breach of this Agreement (including any document, certificate, instrument or agreement to be executed or delivered under this Agreement), if susceptible of cure, within thirty (30) calendar days after any such notice. Any uncured indemnification claim and any claim that is not capable of cure that is undisputed will be paid promptly (but in no event later than ten (10) Business Days after receipt of such notice) by the Indemnifying Person after such notice and failure to cure. Any other indemnification claim will be paid promptly (but in no event later than ten (10) Business Days after resolution of such claim) by the Indemnifying Person upon resolution by an agreement with the Indemnified Person or upon a final, non-appealable order of a court of competent jurisdiction.

(b) Upon the payment in full by the Indemnifying Person of any Damages, the Indemnifying Person will be subrogated to the rights of the Indemnified Person against any Person that is not a Representative of the Indemnified Person. The Indemnified Person will remit to the Indemnifying Person any reimbursement that the Indemnified Person actually receives (net of any cost of recovery) from such non-Representative Person on account of a legal action or other claim to which the subrogated rights relate.

10.6 Third Party Claims, Defense.

(a) An Indemnified Person must give written notice to the Indemnifying Person within thirty (30) days after receiving any Third Party Claim that the Indemnified Person receives which may give rise to a claim for indemnification under this Article 10 (the “Claim Notice”). The Indemnified Person’s failure to notify the Indemnifying Person will not relieve the Indemnifying Person of Liability to any Indemnified Person except to the extent that the defense of the Third Party Claim is actually prejudiced by the Indemnified Person’s failure to give a timely Claim Notice, and then any such Liability of an Indemnifying Person shall be relieved only to the extent of such prejudice.

(b) The Indemnifying Person may assume the defense of such Third Party Claim at its sole expense, if it gives notice of its intention to do so within twenty (20) calendar days of its receipt of the Claim Notice, but must retain counsel that is reasonably satisfactory to the Indemnified Person. The Indemnifying Person may not assume the defense of the Third Party Claim unless it first agrees in writing to indemnify the Indemnified Party for its portion of the

Damages, subject to the limitations set forth in this [Article 10](#), related to such Third Party Claim; provided, however, that the Indemnifying Party shall not have the right to assume control of such defense and shall pay the fees and expenses of counsel retained by the Indemnified Party, if (i) the Third Party Claim seeks an injunction or equitable relief and Buyer or such other Indemnified Person reasonably believes that an adverse determination with respect to such Third Party Claim would be reasonably likely to have a material adverse effect on such Person's ability to operate any Theater, (ii) involves criminal proceeding, action, indictment, allegation or investigation, or (iii) the Indemnifying Party failed or is failing to reasonably prosecute or defend such claim in good faith. If the Indemnifying Party is permitted to assume and control the defense and elects to do so, the Indemnified Party shall have the right to employ counsel separate from counsel employed by the Indemnifying Party in any such action and to participate in the defense thereof, but the fees and expenses of such counsel employed by the Indemnified Party shall be at the expense of the Indemnified Party unless the retention thereof has been specifically authorized by the Indemnifying Party in writing.

(c) If the Indemnifying Person gives timely notice to the Indemnified Person of its election to assume the defense of the Third Party Claim pursuant to and in accordance with the terms and conditions set forth in [Section 10.6\(b\)](#), then, except as otherwise provided herein, the Indemnifying Person shall not be liable to the Indemnified Person for attorneys' fees or any other expenses that the Indemnified Person subsequently incurs with respect to the defense of the Third Party Claim.

(d) If the Indemnifying Person assumes the defense of a Third Party Claim, it may effect any compromise or settlement of the Third Party Claim without the Indemnified Person's consent if, but only if (i) there is no finding or admission of any violation of a Legal Requirement or any violation of the rights of the Indemnified Person, (ii) the compromise or settlement does not require the Indemnified Person to pay any Damages or bear any non-monetary cost or restriction, and (iii) there is delivered by the claimant or plaintiff to the Indemnified Party a written release from all Liability in respect of such Third Party Claim. Except as provided in this [Section 10.6\(d\)](#), the Indemnified Person has no Liability with respect to any compromise or settlement of any Third Party Claims effected without its consent (which shall not be unreasonably withheld, delayed or conditioned).

(e) If the Indemnifying Person fails to notify the Indemnified Person within twenty (20) calendar days after receiving the Claim Notice that it will assume the defense of the Third Party Claim, the Indemnified Person may, by notice to the Indemnifying Person, assume the right to defend, compromise or settle the Third Party Claim; provided, however, the Indemnified Party shall not compromise or settle any Third Party Claim that would require the Indemnifying Party to pay any Damages without the Indemnifying Party's consent (which shall not be unreasonably withheld, delayed or conditioned).

(f) Notwithstanding anything to the contrary contained in this Agreement, in the event that any Third Party Claim relates to periods both prior to and after the Closing for which, if such Third Party Claim were to be successful, Damages would be borne by each of Buyer and Seller, respectively, in accordance with the terms of this Agreement, then Buyer and/or Seller shall be entitled to settle its respective portion of such claim, without notice to or consent from the other party, so long as such settlement does not have an adverse effect on the non-settling party.

(g) With respect to any Third Party Claim subject to indemnification under this Article 10:

(i) both the Indemnified Person and the Indemnifying Person, as the case may be, will keep the other Person reasonably informed of the status of the Third Party Claim and any related Proceedings under all circumstances in which the Person is not represented by its own counsel, and

(ii) the parties (each at its own expense) will render to each other such assistance as they may reasonably require of each other and to cooperate in good faith with each other to ensure the proper and adequate defense of any Third Party Claim.

With respect to any Third Party Claim subject to indemnification under this Article 10, the parties will cooperate in such a manner as to preserve in full the attorney-client and work-product privileges.

10.7 Joint and Several Liability of Sellers. Notwithstanding anything to the contrary contained in this Agreement, each Seller acknowledges and agrees that it shall be jointly and severally liable for all obligations of any Seller arising under or in connection with this Agreement or the other Transaction Documents, including any indemnification obligation arising under Section 10.2.

10.8 Adjustment to Purchase Price. To the extent permitted by law, the parties hereto agree to treat all indemnification payments made under this Article 10 for all Tax purposes as adjustments to the Purchase Price.

10.9 Tax Claims. Buyer shall be entitled to control the contest or resolution of any claim arising from any breach of representation in Section 3.6 (a “Tax Claim”) using such counsel as Buyer may engage, but only if such Tax Claim would reasonably be expected to impact Buyer’s Tax Liabilities for a period ending after the Closing Date for which Buyer would not be entitled to be fully indemnified pursuant to this Article 10; provided, that Buyer shall obtain the prior written consent of the Seller Representative (which consent shall not be unreasonably withheld, delayed or conditioned) before entering into any settlement of a Tax Claim or ceasing to defend such Tax claim; and provided, further, that the Seller Representative shall be entitled to participate in the defense of such Tax Claim and to employ counsel of its choice for such purpose, the fees and expense of which separate counsel shall be borne solely by Sellers.

10.10 Further Limitations on Environmental Indemnification. Any indemnification claim made by an Indemnified Person under Section 10.2(a) for a breach of the representations and warranties provided in Section 3.7 or under Section 10.2(d) for a Retained Liability that is a Retained Environmental Matter shall be subject to the following conditions and limitations:

(a) Sellers or NAI shall have the right, but not the obligation, to conduct and control any Remedial Action required to satisfy Sellers’ indemnification obligations. Buyer shall reasonably cooperate with Sellers or NAI in connection with any such Remedial Action, including providing Sellers or NAI with reasonable access to any Leased Real Property on which or from which any Remedial Actions are conducted. If Sellers or NAI conduct and control such Remedial Action, Buyer shall be entitled (i) to receive, prior to submission, copies of all reports, work plans

and analytical data to be submitted to Governmental Bodies, all notices or other letters or documents received from Governmental Bodies, and any other documentation and correspondence material to the matter and notices of material meetings; (ii) to attend such material meetings; and (iii) to reasonably consult with Sellers or NAI (including the right to receive reasonable advance notice from Sellers or NAI of, and a reasonable opportunity to consult with Sellers or NAI on, any material decisions with respect to the Remedial action). Sellers or NAI shall manage the Remedial Action in good faith and any activities conducted in connection therewith shall be undertaken promptly and completed expeditiously using commercially reasonable efforts. Should Sellers or NAI fail to promptly and expeditiously prosecute the Remedial Action, and fail to commence such prosecution within forty-five (45) days of receiving written notice of same from Buyer, Buyer shall have the right to take control of the Remedial Action and the cost of completing the Remedial Action shall be subject to indemnification in accordance with Section 10.2(a) and Section 10.2(d) of this Agreement. Sellers or NAI shall undertake all activities related to the Remedial Action in material compliance with all Environmental Laws, and in a manner that does not unreasonably interfere with the day-to-day operation of the relevant Leased Real Property. Sellers or NAI shall take such precautions as are reasonably necessary to minimize physical damage to the relevant Leased Real Property, and Sellers shall indemnify Buyer with respect to any damage relating to or arising from Sellers' or NAI's conduct of such Remedial Action. A Remedial Action shall be deemed completed when (x) the appropriate Governmental Body issues a no further action letter or similar sign-off with respect to the Remedial Action and (y) any related Third Party Claim has been fully settled and resolved.

(b) Sellers shall have no indemnification obligations for any Damages to the extent, and only to the extent, such Damages are triggered, caused or that have their timing accelerated by (i) any negligent action or omission of any Indemnified Person subsequent to the applicable Closing Date, (ii) any change in use of a Leased Real Property from its commercial use as of the applicable Closing Date to any other commercial use or residential use that would make remediation more stringent than under its use as of the applicable Closing Date or (iii) any sampling and analysis of any soil or groundwater at a Leased Real Property by or on behalf of any Indemnified Person following the applicable Closing Date unless such sampling and analysis is (A) required by Environmental Law or by any Governmental Body; (B) conducted in response to any Third Party Claim relating to the release of or exposure to Hazardous Substances; (C) conducted in support of a renovation, expansion or demolition of a Theater on a subject Leased Real Property where such sampling and analysis is conducted pursuant to industry practice; (D) reasonably necessary to investigate conditions that indicate an imminent and substantial endangerment to health or the environment; (E) with respect to Leased Real Property, necessary to comply with a provision of the lease agreement in effect as of the Closing Date pertaining to such Leased Real Property that explicitly requires such sampling and analysis; or (F) requested in writing by a prospective purchaser in connection with a potential sale related to such Leased Real Property or in writing by a prospective lender in connection with any financing (provided that after a no further action letter or similar sign-off with respect to the Remedial Action related to the items on Schedule 1.1P has been received and any Third Party Claim related to the Remedial Action has been resolved, Sellers' indemnification obligations under Section 10.2(d) or under Section 10.2(a) for a breach of the representations and warranties made in Section 3.7 with respect to the subject matter of the no further action letter or similar signoff shall terminate). Buyer shall provide Sellers copies of any and all sampling and analysis data in its possession or under its reasonable control that supports or relates to any Remedial Action or claim for environmental indemnification for which Sellers are liable hereunder.

(c) When Sellers exercise their right to conduct and control any Remedial Action pursuant to Section 10.10(a), Sellers shall only be obligated to indemnify an Indemnified Person for Damages relating to any Remedial Action conducted by Buyer to the extent the Remedial Action is conducted in a cost effective manner (“Cost Effective Manner”). The Cost Effective Manner shall incorporate the least stringent cleanup standards that, subject to the use classification of a subject Leased Real Property as of the Closing Date, are allowed under applicable Environmental Law and the least costly methods that are allowed under applicable Environmental Law and that are approved or are otherwise acceptable to applicable Governmental Bodies to achieve such standards, including the use of engineering controls (including caps), or institutional controls (including use restrictions). Notwithstanding the foregoing, Cost Effective Manner shall not include or incorporate any controls that unreasonably interfere with any commercial use of a Leased Real Property that is not materially more sensitive than the use of such Leased Real Property as of the Closing Date or that entails any material increase in operation or maintenance costs that would otherwise be incurred in connection with such use and, with respect to any Leased Real Property, shall comply with the terms of the subject lease as such terms exist as of the Closing Date.

(d) Sellers shall not have any indemnification obligation for removing, abating, encapsulating or otherwise addressing asbestos in building material at any Leased Real Property.

11. GENERAL PROVISIONS.

11.1 Seller Representative.

(a) Each Seller hereby irrevocably appoints and authorizes Rave Cinemas, or such Affiliate of Rave Cinemas (including any Seller Owner and its Affiliates) as Rave Cinemas may designate, to act as representative and attorney in fact of Sellers (Rave Cinemas or any such successor appointee, in such capacity, the “Seller Representative”) in all matters provided for herein, and any certificate or instrument executed by Seller Representative in its capacity as such on behalf of any Seller shall be deemed to be binding and enforceable against such Seller. Seller Representative shall be fully authorized to take any action (or to determine to take no action) with respect to all claims, and all other notices and communications in the manner set forth in this Agreement as Seller Representative may deem appropriate and to (i) negotiate, defend, pursue, settle and pay any indemnification claims, (ii) execute, as Seller Representative and as attorney-in-fact for each Seller, and to take all actions required to be executed by Sellers in connection with the transactions contemplated herein, and (iii) take any other action that may be necessary or desirable on behalf of Sellers in connection with this Agreement, the Transaction Documents or any other agreement or document to be delivered in connection herewith or in connection with the Contemplated Transactions. The appointment of the Seller Representative by each Seller as its attorney-in-fact hereunder is coupled with an interest and irrevocable. Seller Representative shall have no duties or obligations hereunder except those specifically set forth herein and such duties and obligations shall be determined solely by the express provision of this Agreement.

(b) Buyer may conclusively and absolutely rely, without inquiry, and until the receipt of written notice of a change in the Seller Representative may continue to rely, without inquiry, upon the action taken or decision made by the Seller Representative as the lawful and valid action of each Seller in all matters referred to in this Agreement; provided, however, that if Buyer is given written notice of the appointment of a successor Seller Representative, Buyer and Sellers shall recognize, and will only be able to so rely upon the action of, such successor Seller Representative as the Seller Representative for all purposes of this Agreement. Subject to the limitations set forth in this Section 11.1, the Seller Representative shall act as the representative of Sellers with respect to any such act or decision to be taken or made hereunder. Notice sent to the Seller Representative pursuant to Section 11.3 shall have the same force and effect as if delivered to each Seller. For all purposes under this Agreement, any consent, agreement or action required or permitted to be given or taken by Sellers shall be given, made or taken by the Seller Representative on behalf of all Sellers and no Seller may take any action inconsistent with any consent, agreement or action taken by the Seller Representative.

11.2 Expenses. Except as otherwise provided in this Agreement (including Section 9.1), and except for the filing fees required to be paid in connection with filings made under the HSR Act pursuant to Section 5.2(a) (half of which shall be paid by Buyer and half of which shall be paid by Sellers), each party to this Agreement will bear the fees and expenses incurred by such party in connection with the preparation, negotiation, execution and performance of this Agreement and the Contemplated Transactions, including all fees and expense of its Representatives.

11.3 Notices. All notices, consents, waivers and other communications required or permitted by this Agreement will be in writing and will be deemed given to a party when (a) delivered to the appropriate address by hand or by nationally recognized overnight courier service (costs prepaid); (b) sent by e-mail with confirmation of transmission by the transmitting equipment; or (c) received or rejected by the addressee, if sent by certified mail, return receipt requested, in each case to the following addresses or e-mail addresses and marked to the attention of the person (by name or title) designated below (or to such other address, e-mail address or person as a party may designate by notice to the other parties):

If to Seller Representative:

c/o Rave Cinemas, LLC
2101 Cedar Springs Road, Suite 800
Dallas, TX 75201
Attention: Arthur F. Starrs III, Chief Financial Officer
E-mail: astarrs@ravecinemas.com

with a copy (which shall not constitute notice) to:

c/o TowerBrook Capital Partners L.P.
Park Avenue Tower
65 East 55th Street
New York, NY 10022
Attention: Glenn Miller, General Counsel,
North America
Travis Nelson, Managing Director
E-Mail: Glenn.Miller@towerbrook.com
Travis.Nelson@towerbrook.com

with a copy (which shall not constitute notice) to:

Kirkland & Ellis LLP
601 Lexington Avenue
New York, New York 10022
Attention: W. Brian Raftery
Leo Greenberg
E-Mail: brian.raftery@kirkland.com
leo.greenberg@kirkland.com

If to Buyer:

Cinemark USA, Inc.
3900 Dallas Parkway
Plano, Texas 75093
Attention: Robert Copple, Chief Financial Officer
Michael Cavalier, Sr. VP – General Counsel
E-Mail: rcopple@cinemark.com
mcavalier@cinemark.com

with a copy (which shall not constitute notice) to:

Akin Gump Strauss Hauer & Feld LLP
1700 Pacific Avenue, Suite 4100
Dallas, Texas 75201
Attention: Terry M. Schpok, P.C.
E-Mail: tschpok@akingump.com

11.4 Jurisdiction; Service of Process. Each of the parties hereto irrevocably submits to the exclusive jurisdiction of any state or federal court sitting in the State of Delaware over all claims or causes of action (whether in contract or tort or otherwise) that may be based upon, arise out of or relate to this Agreement, or the negotiation, execution or performance of this Agreement (including any claim or cause of action based upon, arising out of or related to any representation or warranty made in or in connection with this Agreement or as an inducement to enter into this Agreement) and each party hereby irrevocably agrees that all claims in respect of any such dispute or any suit, action or proceeding related thereto may be heard and determined in such courts. Each party hereto also agrees not to bring any action or proceeding arising out of or relating to this Agreement in any other court. Each of the parties hereto waives any defense of inconvenient forum to the maintenance of any action or proceeding so brought and waives any bond, surety, or other security that might be required of any other party with respect thereto. Each of the parties hereto agrees that a judgment in any such dispute may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Any party hereto may make service on the other party by sending or delivering a copy of the process to the party to be served at the address and in the manner provided for the giving of notices in Section 11.3 above. Nothing in this Section 11.4, however, shall affect the right of any party to serve legal process in any other manner permitted by law or in equity. Each party hereto agrees that a final judgment in any action or proceeding so brought shall be conclusive and may be enforced by suit on the judgment or in any other manner provided by law or in equity.

11.5 Waiver; Remedies Cumulative. The rights and remedies of the parties to this Agreement are cumulative and not alternative. Neither any failure nor any delay by any party in exercising any right, power or privilege under this Agreement or any of the documents referred to in this Agreement will operate as a waiver of such right, power or privilege, and no single or

partial exercise of any such right, power or privilege will preclude any other or further exercise of such right, power or privilege or the exercise of any other right, power or privilege. To the maximum extent permitted by applicable law:

(a) no claim or right arising out of this Agreement or any of the documents referred to in this Agreement can be discharged by one party, in whole or in part, by a waiver or renunciation of the claim or right unless in writing signed by the other party;

(b) no waiver that may be given by a party will be applicable except in the specific instance for which it is given; and

(c) no notice to or demand on one party will be deemed to be a waiver of any obligation of that party or of the right of the party giving such notice or demand to take further action without notice or demand as provided in this Agreement or the documents referred to in this Agreement.

11.6 Entire Agreement and Modification. This Agreement, the Schedules and the Transaction Documents (which are incorporated herein by this reference) supersede all prior agreements, whether written or oral, between the parties with respect to its subject matter (except for the Confidentiality Agreement, which will survive the execution and delivery of this Agreement (except that Buyer's and its Affiliates' obligations thereunder shall terminate as of the Closing; provided, that any such termination shall not relieve any party for any willful breach of the Confidentiality Agreement prior to such termination)) and constitute a complete and exclusive statement of the terms of the agreement between the parties with respect to its subject matter. This Agreement may not be amended, supplemented, or otherwise modified except by a written agreement executed by the party to be charged with the amendment.

11.7 Assignments, Successors and No Third Party Rights. Neither Buyer, on the one hand, nor any Seller, on the other hand, shall assign any of its rights or delegate any of its obligations under this Agreement (in whole or in part) without the prior written consent of the other party, such consent not to be unreasonably withheld or delayed; provided, that Buyer may assign this Agreement and its rights and obligations hereunder (in whole or in part) without Sellers' prior consent to any Buyer Designee; provided further, that no such designation described in this Section 11.7 shall (i) require any additional consent of any Person for the consummation of the Contemplated Transactions not already provided for in this Agreement or otherwise cause any closing condition in Article 6 herein not to be satisfied or (ii) relieve Buyer of any of its obligations under this Agreement.

11.8 Severability. If any provision of this Agreement is held invalid or unenforceable by any court of competent jurisdiction, the other provisions of this Agreement will remain in full force and effect. Any provision of this Agreement held invalid or unenforceable only in part or degree will remain in full force and effect to the extent not held invalid or unenforceable.

11.9 Construction. The headings of Articles and Sections in this Agreement are provided for convenience only and will not affect its construction or interpretation. All references to "Articles" and "Sections" refer to the corresponding Articles and Sections of this Agreement.

11.10 Time of Essence. With regard to all dates and time periods set forth or referred to in this Agreement, time is of the essence.

11.11 Governing Law. THIS AGREEMENT WILL BE GOVERNED BY AND CONSTRUED UNDER THE LAWS OF THE STATE OF DELAWARE WITHOUT GIVING EFFECT TO ANY CHOICE OR CONFLICT OF LAW PROVISION OR RULE (WHETHER OF THE STATE OF DELAWARE OR ANY OTHER JURISDICTION) THAT WOULD CAUSE THE APPLICATION OF THE LAWS OF ANY JURISDICTION OTHER THAN THE STATE OF DELAWARE.

11.12 Execution of Agreement. This Agreement may be executed in counterparts, each of which will be deemed to be an original copy of this Agreement and all of which, when taken together, will be deemed to constitute one and the same agreement. The exchange of copies of this Agreement and of signature pages by electronic mail or facsimile transmission will constitute effective execution and delivery of this Agreement as to the parties and may be used in lieu of the original Agreement for all purposes. Signatures of the parties transmitted by electronic mail or facsimile will be deemed to be their original signatures for all purposes.

11.13 Third Party Beneficiaries. Nothing in this Agreement (express or implied) will be construed as giving any Person, other than the parties to this Agreement and their successors and permitted assigns, any right, remedy or claim under or in respect of this Agreement, or any provision of this Agreement.

11.14 Confidentiality and Press Releases. Prior to the Closing, Buyer and Sellers and their respective Representatives will hold in confidence all data and information obtained with respect to the other party, the other party's business or the Acquired Assets that is not or does not become otherwise available to the public, whether obtained before or after the execution and delivery of this Agreement, including without limitation the existence and terms of this Agreement, and will not disclose the same to others; provided, however, either party may disclose such data and information to (i) such party's lender or other financing source and to the employees, consultants and attorneys of such party, (ii) in the case of Buyer, to its actual and prospective commercial counterparties as necessary to negotiate commercial arrangements regarding the operation of the Theaters post-Closing, and (iii) to governmental regulators having jurisdiction over either party or such party's investors. Following the Closing, Sellers shall maintain as confidential and shall not use or disclose (except as deemed necessary by Sellers to address any Excluded Asset, Retained Liability or otherwise required by law or as authorized in writing by Buyer) (i) any information or materials relating to the Property, the Theaters, the Acquired Assets, or operations and affairs of Sellers in respect thereof and (ii) any materials developed by Buyer or any of its Representatives. Following the Closing, Buyer shall maintain as confidential and shall not use or disclose (except as deemed necessary by Buyer to address any Asset or Assumed Liability or otherwise required by law or as authorized in writing by any Seller) any information or materials relating to the Excluded Assets or Retained Liabilities. Except as otherwise permitted and provided above, in the event any Seller or Buyer is required by law to disclose any such confidential information, such party shall promptly notify the other party in writing, which notification shall include the nature of the legal requirement and the extent of the required disclosure, and shall reasonably cooperate with the other party to obtain a protective order and otherwise preserve the confidentiality of such information consistent with applicable law. If this

Agreement is terminated, upon the request of any Seller, Buyer will promptly return to Seller or destroy (such destruction to be certified in writing) all documents, schedules, exhibits or other written information obtained from Seller in connection with this Agreement or the transaction contemplated herein. In the event of a breach or threatened breach by either party or such party's Representatives of this Section 11.14, the other party will be entitled to an injunction restraining the breaching party or such party's breaching Representatives from disclosing, in whole or in part, such confidential information. Nothing herein will be construed as prohibiting either party from pursuing any other available remedy at law or in equity for such breach or threatened breach. Prior to the Closing, no party hereto shall be permitted to make, or cause to be made, press releases or public announcements in respect of the terms of this Agreement or the Contemplated Transactions or otherwise communicate with any news media with respect thereto without the prior written consent of the other party except to the extent that any disclosure may be required by Legal Requirement. In the event any party is required by Legal Requirement to disclose any of the terms of this Agreement or the Contemplated Transactions, such party shall promptly notify the other parties in writing, which notification shall include the nature of the Legal Requirement and the extent of the required disclosure; provided, however, that Sellers hereby acknowledge and agree that Buyer shall be entitled to issue a press release and file a Current Report on Form 8-K in connection with the execution of this Agreement. The parties will work together in good faith to issue a joint press release to be published after the Closing. The provisions of this Section 11.14 are subject to, and the parties will comply with, all applicable Legal Requirements and Orders.

11.15 Waiver of Jury Trial. EACH OF THE PARTIES HERETO WAIVES TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW THE RIGHT TO A JURY TRIAL IN CONNECTION WITH ANY PROCEEDING SEEKING ENFORCEMENT OF SUCH PARTY'S RIGHTS UNDER THIS AGREEMENT.

* * * * *

IN WITNESS WHEREOF, the parties have caused this Asset Purchase Agreement to be duly executed as of the date first written above.

BUYER:

CINEMARK USA, INC.

By: /s/ Robert Cople
Name: Robert Cople
Title: Executive Vice President

SELLERS:

RAVE REAL PROPERTY HOLDCO, LLC

By: /s/ Rolando Rodriguez
Name: Rolando Rodriguez
Title: Chief Executive Officer

RAVE CINEMAS, LLC

By: /s/ Rolando Rodriguez
Name: Rolando Rodriguez
Title: Chief Executive Officer

RC PROCESSING, LLC

By: /s/ Rolando Rodriguez
Name: Rolando Rodriguez
Title: Chief Executive Officer

Signature Page to Asset Purchase Agreement

RAVE SL TENANT, LLC

By: /s/ Rolando Rodriguez
Name: Rolando Rodriguez
Title: Chief Executive Officer

RAVE MILFORD, LLC

By: /s/ Rolando Rodriguez
Name: Rolando Rodriguez
Title: Chief Executive Officer

RAVE DAYTON SOUTH, LLC

By: /s/ Rolando Rodriguez
Name: Rolando Rodriguez
Title: Chief Executive Officer

RAVE CONNECTICUT POST, LLC

By: /s/ Rolando Rodriguez
Name: Rolando Rodriguez
Title: Chief Executive Officer

RAVE EASTFIELD, LLC

By: /s/ Rolando Rodriguez
Name: Rolando Rodriguez
Title: Chief Executive Officer

Signature Page to Asset Purchase Agreement

RAVE CRENSHAW PLAZA, LLC

By: /s/ Rolando Rodriguez
Name: Rolando Rodriguez
Title: Chief Executive Officer

RAVE ENFIELD, LLC

By: /s/ Rolando Rodriguez
Name: Rolando Rodriguez
Title: Chief Executive Officer

RAVE FT. WORTH, LLC

By: /s/ Rolando Rodriguez
Name: Rolando Rodriguez
Title: Chief Executive Officer

RAVE HURST, LLC

By: /s/ Rolando Rodriguez
Name: Rolando Rodriguez
Title: Chief Executive Officer

RAVE LITTLE ROCK, LLC

By: /s/ Rolando Rodriguez
Name: Rolando Rodriguez
Title: Chief Executive Officer

Signature Page to Asset Purchase Agreement

RAVE COLUMBUS, LLC

By: /s/ Rolando Rodriguez
Name: Rolando Rodriguez
Title: Chief Executive Officer

RAVE BRIDGE UPENN, LLC

By: /s/ Rolando Rodriguez
Name: Rolando Rodriguez
Title: Chief Executive Officer

RAVE BRIDGE LA, LLC

By: /s/ Rolando Rodriguez
Name: Rolando Rodriguez
Title: Chief Executive Officer

RAVE HICKORY CREEK, LLC

By: /s/ Rolando Rodriguez
Name: Rolando Rodriguez
Title: Chief Executive Officer

Signature Page to Asset Purchase Agreement

REAFFIRMATION AGREEMENT

REAFFIRMATION AGREEMENT, dated as of December 18, 2012 (this "Agreement"), among CINEMARK USA, INC. (the "Borrower"), CINEMARK HOLDINGS, INC., ("Parent"), and the undersigned Subsidiaries of the Borrower (the "Subsidiary Guarantors") and together with Parent and the Borrower, the "Reaffirming Parties" and individually each a "Reaffirming Party") and BARCLAYS BANK PLC, as administrative agent (the "Administrative Agent") under the Amendment and Restatement referred to below. Capitalized terms used but not otherwise defined herein shall have the meanings assigned to such terms in the Amendment and Restatement.

WHEREAS, the Borrower, the lenders from time to time parties thereto (the "Existing Lenders"), the Administrative Agent and the other agents party thereto have entered into the Credit Agreement, dated as of October 5, 2006 (as amended, supplemented and otherwise modified prior to the date hereof, the "Existing Credit Agreement");

WHEREAS, the Borrower, certain of the Existing Lenders and the Administrative Agent have agreed to amend and restate the Existing Credit Agreement (the "Amendment and Restatement");

WHEREAS, Parent, the Borrower and each Subsidiary Guarantor are parties to the Guarantee and Collateral Agreement, dated as of October 5, 2006 (the "Guarantee and Collateral Agreement");

WHEREAS, pursuant to the Guarantee and Collateral Agreement, Parent, the Borrower and each Subsidiary Guarantor have guaranteed the Obligations and pursuant to the Security Documents, each Reaffirming Party has granted in favor of the Administrative Agent a security interest or lien in the collateral as described in each Security Document;

WHEREAS, each Reaffirming Party expects to realize, or has realized, substantial direct and indirect benefits as a result of the Amendment and Restatement becoming effective and the consummation of the transactions contemplated thereby; and

WHEREAS, the execution and delivery of this Agreement is a condition precedent to the effectiveness of the Amendment and Restatement.

NOW, THEREFORE, in consideration of the foregoing, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

SECTION 1. Reaffirmation. Each of the Reaffirming Parties hereby (i) consents to the Amendment and Restatement and the transactions contemplated thereby, (ii) confirms its respective guarantees, pledges, grants of security interests and liens, acknowledgments, obligations and consents under the Guarantee and Collateral Agreement and the other Loan Documents to which it is a party and agrees that notwithstanding the effectiveness of the Amendment and Restatement and the consummation of the transactions contemplated thereby, such guarantees, pledges, grants of security interests and liens, acknowledgments, obligations and consents shall continue to be in full force and effect, and (iii) ratifies the Guarantee and Collateral Agreement and the other Loan Documents to which it is a party.

SECTION 2. Grant of Security Interest. Subject to the terms of the Guarantee and Collateral Agreement, each of the Reaffirming Parties hereby grants to the Administrative Agent, for the ratable benefit of the Secured Parties, a security interest in and liens on the Collateral now owned or at any time hereafter acquired by such Reaffirming Party or in which such Reaffirming Party now has or at any time in the future may acquire any right, title or interest (subject to the exclusions set forth in the proviso to Section 3 of the Guarantee and Collateral Agreement) as collateral security for the prompt and complete payment and performance when due (whether at the stated maturity, by acceleration or otherwise) of such Reaffirming Party's Obligations.

SECTION 3. Amendment and Restatement. On and after the Restatement Closing Date, (i) each reference in the Guarantee and Collateral Agreement or other Loan Documents to the “Credit Agreement”, “thereunder”, “thereof” or words of like import shall mean and be a reference to the Existing Credit Agreement as amended and restated by the Amendment and Restatement (as such agreement may be amended, modified or supplemented and in effect from time to time) and (ii) the definition of any term defined in the Guarantee and Collateral Agreement or any other Loan Document by reference to the terms defined in the “Credit Agreement” shall be amended to be defined by reference to the defined term in the Existing Credit Agreement as amended and restated by the Amendment and Restatement (as such agreement may be amended, modified or supplemented and in effect from time to time).

SECTION 4. Loan Document. This Agreement is a Loan Document and shall (unless otherwise expressly indicated herein) be construed, administered and applied in accordance with the terms and provisions of the Existing Credit Agreement as amended and restated by the Amendment and Restatement (as such agreement may be amended, modified or supplemented and in effect from time to time).

SECTION 5. Counterparts. This Agreement may be executed by one or more of the parties to this Agreement on any number of separate counterparts, and all of said counterparts taken together shall be deemed to constitute one and the same instrument. Delivery of an executed signature page of this Agreement by facsimile or electronic transmission shall be effective as delivery of a manually executed counterpart hereof. A set of the copies of this Agreement signed by all the parties shall be lodged with the Borrower and the Administrative Agent.

SECTION 6. No Novation. Neither this Agreement nor the execution, delivery or effectiveness of the Amendment and Restatement shall extinguish the obligations outstanding under the Existing Credit Agreement, the Guarantee and Collateral Agreement and the other Security Documents or discharge or release the lien or priority of the other Security Documents. Nothing herein contained shall be construed as a substitution or novation of the obligations outstanding under the Existing Credit Agreement as amended and restated by the Amendment and Restatement, the Guarantee and Collateral Agreement or the other Security Documents or instruments securing the same, which shall remain in full force and effect, except to any extent modified hereby or by instruments executed concurrently herewith. Nothing implied in this Agreement, the Existing Credit Agreement, the Amendment and Restatement, the Guarantee and Collateral Agreement and the other Security Documents or in any other document contemplated hereby or thereby shall be construed as a release or other discharge of any of Parent, Borrower, or any other Loan Party from any of its obligations and liabilities as a “Borrower,” “Guarantor,” “Subsidiary Guarantor,” “Loan Party” or “Grantor” under the Existing Credit Agreement, the Guarantee and Collateral Agreement or the other Security Documents. Each of the Existing Credit Agreement, the Guarantee and Collateral Agreement and the other Security Documents shall remain in full force and effect, until (as applicable) and except to any extent modified hereby or in connection herewith.

SECTION 7. Applicable Law. **THIS AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES UNDER THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK**

SECTION 8. Consent to Jurisdiction. Each party hereto hereby irrevocably and unconditionally:

(a) submits for itself and its property in any legal action or proceeding relating to this Agreement or for recognition and enforcement of any judgment in respect thereof, to the non-exclusive general jurisdiction of the courts of the State of New York, the courts of the United States of America for the Southern District of New York, and appellate courts from any thereof;

(b) consents that any such action or proceeding may be brought in such courts and waives any objection that it may now or hereafter have to the venue of any such action or proceeding in any such court or that such action or proceeding was brought in an inconvenient court and agrees not to plead or claim the same;

(c) agrees that service of process in any such action or proceeding may be effected by mailing a copy thereof by registered or certified mail (or any substantially similar form of mail), postage prepaid, to Holdings or the Borrower, as the case may be, at its address set forth in Section 10.2 of the Existing Credit Agreement, as amended and restated by the Amendment and Restatement, or such other address of which the Administrative Agent shall have been notified pursuant thereto, dated as of the date hereof and in accordance therewith;

(d) agrees that nothing herein shall affect the right to effect service of process in any other manner permitted by law or shall limit the right to sue in any other jurisdiction; and

(e) waives, to the maximum extent not permitted by law, any right it may have to claim or recover in any legal action or proceeding referred to in this Section any special, indirect, exemplary, punitive or consequential damages.

IN WITNESS WHEREOF, each of the parties hereto has caused this Agreement to be duly executed and delivered as of the date first above written.

CINEMARK HOLDINGS, INC.

By: _____
Title:

CINEMARK, INC.

By: _____
Title:

CENTURY THEATRES NG, LLC

By: _____
Title:

CENTURY THEATRES SEATTLE, LLC

By: _____
Title:

CENTURY THEATRES SUMMIT SIERRA, LLC

By: _____
Title:

CENTURY THEATRES, INC.

By: _____
Title:

CINEARTS SACRAMENTO, LLC

By: _____
Title: _____

CINEARTS, LLC

By: _____
Title: _____

CORTE MADERA THEATRES, LLC

By: _____
Title: _____

MARIN THEATRE MANAGEMENT, LLC

By: _____
Title: _____

NORTHBAY THEATRES, LLC

By: _____
Title: _____

NOVATO THEATRES, LLC

By: _____
Title: _____

SAN RAFAEL THEATRES, LLC

By: _____
Title: _____

SUNNYMEAD CINEMA CORP.

By: _____
Title: _____

CNMK INVESTMENTS, INC.

By: _____
Title: _____

CINEMARK CONCESSIONS, LLC

By: _____
Title: _____

CINEMARK PARTNERS I, INC.

By: _____
Title: _____

CINEMARK PROPERTIES, INC.

By: _____
Title: _____

CNMK TEXAS PROPERTIES, LLC

By: _____
Title:

GREELEY HOLDINGS, INC.

By: _____
Title:

MULTIPLEX SERVICES, INC.

By: _____
Title:

TRANS TEXAS CINEMA, INC.

By: _____
Title:

CINEMARK HOLDINGS, INC.
CALCULATION OF RATIO OF EARNINGS TO FIXED CHARGES

	2008	2009	Year Ended December 31, 2010	2011	2012
Computation of Earnings:					
Pretax income (loss) from continuing operations before equity income (loss)	\$ (24,897)	\$ 146,508	\$ 210,939	\$ 199,981	\$ 283,709
Add:					
Fixed charges	182,185	173,739	188,432	205,167	207,107
Amortization of capitalized interest	489	496	496	496	496
Distributed income (loss) of equity investees	(2,373)	(907)	(3,438)	5,651	13,109
Less:					
Capitalized interest	(270)	—	—	—	—
TOTAL EARNINGS	\$ 155,134	\$ 319,836	\$ 396,429	\$ 411,295	\$ 504,421
Computation of Fixed Charges:					
Interest expense	\$ 111,362	\$ 97,730	\$ 107,728	\$ 118,358	\$ 118,873
Capitalized interest	270	—	—	—	—
Amortization of debt issue costs	4,696	4,775	4,716	4,744	4,792
Interest factor on rent expense	65,857	71,234	75,988	82,065	83,442
TOTAL FIXED CHARGES	\$ 182,185	\$ 173,739	\$ 188,432	\$ 205,167	\$ 207,107
RATIO OF EARNINGS TO FIXED CHARGES ⁽¹⁾	—	1.84x	2.10x	2.00x	2.44x

⁽¹⁾ For the purposes of calculating the ratio of earnings to fixed charges, earnings consist of income (loss) 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. For the year ended December 31, 2008, earnings were insufficient to cover fixed charges by \$27.1 million.

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
Trans Texas Cinema, Inc., a Texas corporation
Cinemark Properties, Inc., a Texas corporation
Greeley Holdings, Inc., a Texas corporation
Greeley, Ltd., a Texas limited partnership
Cinemark 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
Multiplex Services, Inc., a Texas corporation
Canada Theatre Holdings, Inc., a Delaware corporation
CNMK Brazil Investments, Inc., a Delaware corporation
CNMK Investments, Inc., a Delaware corporation
CNMK Texas Properties, L.L.C., a Texas corporation
Brainerd Cinema, Ltd., a Texas limited partnership
Laredo Theatre, Ltd., a Texas limited partnership
Brasil Holdings, L.L.C., a Delaware limited liability company
Cinemark Media, Inc., a Delaware corporation
Century Theatres, Inc., a California corporation
NBE, Inc., a California corporation
Marin Theatre Management, 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
General Cinema do Brasil Ltda., a Brazilian limited partnership
Flix Media Publicidade e Entretenimento Ltda., a Brazilian limited partnership

SUBSIDIARIES OF CINEMARK HOLDINGS, INC.**CANADA**

Cinemark Theatres Canada, Inc., a New Brunswick corporation
Cinemark Holdings Canada, Inc., an Ontario corporation
Century Theatres of Canada, ULC, a Canadian corporation

CENTRAL AMERICA

Cinemark Panama, S.A., a Panamanian joint stock company
Cinemark Equity Holdings Corporation, a British Virgin Islands corporation
Cinemark Costa Rica, S.R.L., a Costa Rican limited liability company
Cinemark El Salvador, Ltda de C.V., an El Salvadorian limited liability company
Cinemark Nicaragua y Cia, Ltda., a Nicaraguan limited liability company
Cinemark Honduras S. de R.L., a Honduran limited liability company
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 de Mexico, S.A. de C.V., a Mexican corporation
Servicios Cinemark, S.A. de C.V., a Mexican corporation
Cinemark del Norte, S.A. de C.V., a Mexican corporation
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

PERU

Cinemark del Peru S.R.L., a Peruvian limited liability company

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, 2013, 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, 2012.

/s/Deloitte & Touche LLP

Dallas, Texas
February 28, 2013

**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, 2013

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, 2013

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, 2012 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, 2013

/s/ Tim Warner

Tim Warner
Chief Executive Officer

Subscribed and sworn to before me this 28th day of February 2013.

/s/ Carol Waldman

Name: Carol Waldman
Title: Notary Public

My commission expires: 06/07/16

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, 2012 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, 2013

/s/ Robert Copple

Robert Copple
Chief Financial Officer

Subscribed and sworn to before me this 28th day of February 2013.

/s/ Carol Waldman

Name: Carol Waldman
Title: Notary Public

My commission expires: 06/07/16

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.

