Cinemark Holdings, Inc.
Form 10-Q
August 07, 2009

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 10-Q
QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the quarterly period ended June 30, 2009
Commission File Number: 001-33401
CINEMARK HOLDINGS, INC.
(Exact name of registrant as specified in its charter)

Delaware	**20-5490327**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**
3900 Dallas Parkway Suite 500 Plano, Texas (Address of principal executive offices)	**75093 (Zip Code)**

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

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

Yes þ No o

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate website, 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 o No o

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. (Check one):

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

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

Yes o No þ

As of July 31, 2009, 109,329,135 shares of common stock were outstanding.

CINEMARK HOLDINGS, INC. AND SUBSIDIARIES
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Cautionary Statement Regarding Forward-Looking Statements

Certain matters within this Quarterly Report on Form 10Q include forward looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. All statements included in this Form 10Q, other than statements of historical fact, may constitute forward-looking statements. Forward-looking statements can be identified by the use of words such as may, should, will, could, estimates, predicts, potential, continue, anticipates, believes, plans, expects, future expressions. Forward-looking statements may involve known and unknown risks, uncertainties and other factors that may cause the actual results or performance to differ from those projected in the forward-looking statements. These statements are not guarantees of future performance and are subject to risks, uncertainties and other factors, some of which are beyond our control and difficult to predict and could cause actual results to differ materially from those expressed or forecasted in the forward-looking statements. For a description of the risk factors, please review the Risk Factors section or other sections in the Company s Annual Report on Form 10-K filed March 13, 2009 and quarterly reports on Form 10-Q, filed with the Securities and Exchange Commission. All forward-looking statements are expressly qualified in their entirety by such risk factors. We undertake no obligation, other than as required by law, to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

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PART I FINANCIAL INFORMATION

Item 1. Financial Statements

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

	June 30, 2009	December 31, 2008
Assets		
Current assets		
Cash and cash equivalents	$ 382,737	$ 349,603
Inventories	9,179	8,024
Accounts receivable	30,051	24,688
Income tax receivable	10,806	8,948
Current deferred tax asset	2,788	2,799
Prepaid expenses and other	8,762	9,319
Total current assets	444,323	403,381
Theatre properties and equipment	1,862,138	1,764,600
Less accumulated depreciation and amortization	638,006	556,317
Theatre properties and equipment net	1,224,132	1,208,283
Other assets		
Goodwill	1,100,398	1,039,818
Intangible assets net	345,313	341,768
Investment in NCM	34,159	19,141
Investments in and advances to affiliates	4,231	4,284
Deferred charges and other assets net	55,490	49,033
Total other assets	1,539,591	1,454,044
Total assets	$ 3,208,046	$ 3,065,708
Liabilities and stockholders equity		
Current liabilities		
Current portion of long-term debt	$ 12,619	$ 12,450
Current portion of capital lease obligations	6,898	5,532
Current FIN 48 liability	10,775	10,775
Accounts payable and accrued expenses	212,911	202,413
Total current liabilities	243,203	231,170
Long-term liabilities		

Long-term debt, less current portion	1,553,949	1,496,012
Capital lease obligations, less current portion	136,703	118,180
Deferred income taxes	120,853	135,417
Long-term portion FIN 48 liability	14,395	6,748
Deferred lease expenses	25,686	23,371
Deferred revenue NCM	204,240	189,847
Other long-term liabilities	44,708	40,736
Total long-term liabilities	2,100,534	2,010,311
Commitments and contingencies (see Note 18)		
Stockholders equity		
Cinemark Holdings, Inc. s stockholders equity:		
Common stock, $0.001 par value: 300,000,000 shares authorized and 109,316,647 shares issued and outstanding at June 30, 2009 and 108,835,365 shares issued and outstanding at December 31, 2008	109	109
Additional paid-in-capital	964,985	962,353
Retained deficit	(81,978)	(78,859)
Accumulated other comprehensive loss	(33,011)	(72,347)
Total Cinemark Holdings, Inc. s stockholders equity	850,105	811,256
Noncontrolling interests	14,204	12,971
Total stockholders equity	864,309	824,227
Total liabilities and stockholders equity	$ 3,208,046	$ 3,065,708

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

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

	Three months ended June 30,		Six months ended June 30,	
	2009	**2008**	**2009**	**2008**
Revenues				
Admissions	$ 339,088	$ 294,425	$ 618,971	$ 556,792
Concession	158,926	141,474	288,957	263,631
Other	19,494	21,335	35,380	37,827
Total revenues	517,508	457,234	943,308	858,250
Cost of operations				
Film rentals and advertising	190,826	163,799	337,952	301,939
Concession supplies	24,027	23,205	43,744	41,954
Salaries and wages	52,070	45,321	96,420	87,908
Facility lease expense	59,195	56,124	114,933	112,446
Utilities and other	54,168	50,411	102,896	98,576
General and administrative expenses	23,675	24,495	45,463	45,067
Depreciation and amortization	37,535	37,840	73,668	75,247
Amortization of favorable/unfavorable leases	346	699	669	1,403
Impairment of long-lived assets	3,930	1,342	4,969	5,829
Loss on sale of assets and other	1,186	1,109	1,458	910
Total cost of operations	446,958	404,345	822,172	771,279
Operating income	70,550	52,889	121,136	86,971
Other income (expense)				
Interest expense	(25,649)	(30,061)	(51,113)	(62,134)
Interest income	937	2,940	2,769	6,684
Foreign currency exchange gain (loss)	472	(24)	538	(240)
Loss on early retirement of debt	(26,795)		(26,795)	(40)
Distributions from NCM	5,027	3,403	11,606	8,585
Equity in loss of affiliates	(415)	(692)	(1,020)	(1,327)
Total other expense	(46,423)	(24,434)	(64,015)	(48,472)
Income before income taxes	24,127	28,455	57,121	38,499
Income taxes	4,320	11,840	18,963	15,481
Net income	$ 19,807	$ 16,615	$ 38,158	$ 23,018
Less: Net income attributable to noncontrolling interests	1,137	1,092	1,923	2,244

Net income attributable to Cinemark Holdings, Inc.	$ 18,670	$ 15,523	$ 36,235	$ 20,774
Weighted average shares outstanding				
Basic	108,483	106,999	108,473	106,982
Diluted	110,266	109,218	109,922	109,186
Earnings per share attributable to Cinemark Holdings, Inc. s common stockholders				
Basic	$ 0.17	$ 0.14	$ 0.33	$ 0.19
Diluted	$ 0.17	$ 0.14	$ 0.33	$ 0.19

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

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

	Six months ended June 30, 2009	2008
Operating activities		
Net income	$ 38,158	$ 23,018
Adjustments to reconcile net income to cash provided by (used for) operating activities:		
Depreciation	71,678	73,244
Amortization of intangible and other assets and unfavorable leases	2,659	3,406
Amortization of long-term prepaid rents	750	829
Amortization of debt issue costs	2,399	2,338
Amortization of deferred revenues, deferred lease incentives and other	(2,167)	(1,748)
Amortization of accumulated other comprehensive loss related to interest rate swap agreement	2,317	
Impairment of long-lived assets	4,969	5,829
Share based awards compensation expense	2,403	2,078
Loss on sale of assets and other	1,458	910
Write-off of unamortized debt issue costs related to early retirement of debt	6,089	193
Accretion of interest on senior discount notes	8,085	20,039
Deferred lease expenses	2,121	2,146
Deferred income tax expenses	(16,734)	(14,506)
Equity in loss of affiliates	1,020	1,327
Interest paid on repurchased senior discount notes	(151,952)	(2,929)
Increase in deferred revenue related to new U.S. beverage agreement	6,550	
Other	1,078	
Changes in assets and liabilities	8,384	22,794
Net cash provided by (used for) operating activities	(10,735)	138,968
Investing activities		
Additions to theatre properties and equipment	(60,918)	(51,916)
Proceeds from sale of theatre properties and equipment	653	2,224
Increase in escrow deposits due to like-kind exchange		(2,089)
Return of escrow deposits		23,439
Acquisition of theatres	(48,950)	(5,011)
Investment in joint venture DCIP	(1,500)	(1,000)
Net cash used for investing activities	(110,715)	(34,353)
Financing activities		
Proceeds from stock option exercises	206	633
Dividends paid to stockholders	(39,269)	(38,598)
Repurchase of senior discount notes	(250,507)	(6,174)
Proceeds from issuance of senior notes	458,532	
Payment of debt issue costs	(12,423)	

Repayments of long-term debt	(6,289)	(4,050)
Payments on capital leases	(2,830)	(2,363)
Other	(795)	(340)
Net cash provided by (used for) financing activities	146,625	(50,892)
Effect of exchange rate changes on cash and cash equivalents	7,959	4,504
Increase in cash and cash equivalents	33,134	58,227
Cash and cash equivalents:		
Beginning of period	349,603	338,043
End of period	$ 382,737	$ 396,270

Supplemental Information (See Note 15)

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

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

1. The Company and Basis of Presentation

Cinemark Holdings, Inc. and subsidiaries (the Company) is the second largest motion picture exhibitor in the world in terms of both attendance and the number of screens in operation, with theatres in the United States (U.S.), Canada, Brazil, Mexico, Chile, Colombia, Argentina, Ecuador, Peru, Honduras, El Salvador, Nicaragua, Costa Rica, Panama and Guatemala. The Company also managed additional theatres in the U.S., Brazil, and Colombia during the six months ended June 30, 2009.

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

These condensed consolidated financial statements should be read in conjunction with the audited annual consolidated financial statements and the notes thereto for the year ended December 31, 2008, included in the Annual Report on Form 10-K filed March 13, 2009 by the Company under the Securities Exchange Act of 1934, as amended (the Exchange Act). Operating results for the six months ended June 30, 2009, are not necessarily indicative of the results to be achieved for the full year.

2. New Accounting Pronouncements

In December 2007, the Financial Accounting Standards Board (FASB) issued Statement of Financial Accounting Standards (SFAS) No. 141(R), *Business Combinations* . This statement requires all business combinations completed after the effective date to be accounted for by applying the acquisition method (previously referred to as the purchase method); expands the definition of transactions and events that qualify as business combinations; requires that the acquired assets and liabilities, including contingencies, be recorded at the fair value determined on the acquisition date and changes thereafter reflected in income, not goodwill; changes the recognition timing for restructuring costs; and requires acquisition costs to be expensed as incurred rather than being capitalized as part of the cost of acquisition. Adoption of SFAS No. 141(R) was required for business combinations that occurred after December 15, 2008. The adoption of SFAS No. 141(R) did not have a significant impact on the Company s condensed consolidated financial statements.

In December 2007, the FASB issued SFAS No. 160, *Noncontrolling Interest in Consolidated Financial Statements* . This statement establishes new accounting and reporting standards for the noncontrolling interest in a subsidiary and for the deconsolidation of a subsidiary. Specifically, this statement requires the recognition of a noncontrolling interest (minority interest) as equity in the consolidated financial statements and separate from the parent s equity. The amount of net income attributable to the noncontrolling interest will no longer be shown as an expense item for all periods presented, but will be included in consolidated net income on the face of the income statement. SFAS No. 160 requires disclosure on the face of the consolidated income statement of the amounts of consolidated net income attributable to the parent and the noncontrolling interest. SFAS No. 160 clarifies that changes in a parent s ownership interest in a subsidiary that do not result in deconsolidation are equity transactions if the parent retains its controlling financial interest. In addition, this statement requires that a parent recognize a gain or loss in net income when a subsidiary is deconsolidated. Such gain or loss will be measured using the fair value of the noncontrolling equity investment on the deconsolidation date. SFAS No. 160 also includes expanded disclosure requirements regarding the interests of the parent and its noncontrolling interest. SFAS No. 160 was effective for fiscal years, and interim periods within those fiscal years, beginning on or after December 15, 2008. Upon adoption of this statement, the Company has recognized its noncontrolling interests as equity in the condensed consolidated balance sheets, has reflected net income attributable to noncontrolling interests in consolidated net income and has provided, in Note 4, a summary of changes in

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

equity attributable to noncontrolling interests, changes attributable to Cinemark Holdings, Inc. and changes in total equity.

In March 2008, the FASB issued SFAS No. 161 *Disclosures about Derivative Instruments and Hedging Activities an Amendment of FASB Statement No. 133* . This statement intends to improve financial reporting about derivative instruments and hedging activities by requiring enhanced disclosures about their impact on an entity s financial position, financial performance, and cash flows. SFAS No. 161 requires disclosures regarding the objectives for using derivative instruments, the fair values of derivative instruments and their related gains and losses, and the accounting for derivatives and related hedged items. SFAS No. 161 was effective for fiscal years and interim periods beginning after November 15, 2008, with early adoption permitted. The adoption of SFAS No. 161 did not impact the Company s condensed consolidated financial statements, nor did it have a significant impact on the Company s disclosures.

In June 2008, the FASB issued FASB Staff Position Emerging Issues Task Force 03-6-1, *Determining Whether Instruments Granted in Share Based Payment Transactions Are Participating Securities* (FSP-EITF 03-6-1). Under FSP-EITF 03-6-1, unvested share based payment awards that contain non-forfeitable rights to dividends or dividend equivalents (whether paid or unpaid) are participating securities and shall be included in the computation of earnings per share pursuant to the two-class method. FSP-EITF 03-6-1 was effective for financial statements issued for fiscal years beginning after December 15, 2008, and interim periods within those years and requires retrospective application. The adoption of FSP-EITF 03-6-1 did not have a significant impact on the Company s earnings per share calculations.

In April 2009, the FASB issued FASB Staff Position FAS 107-1 and APB 28-1, *Interim Disclosures about Fair Value of Financial Instruments* (FSP FAS 107-1 and APB 28-1). FSP FAS 107-1 and APB 28-1 require that disclosures about the fair value of financial instruments be included in the notes to financial statements issued during interim periods. Fair value information must be presented in the notes to financial statements together with the carrying amounts of the financial instruments. It must be clearly stated whether the amounts are assets or liabilities and how they relate to information presented in the balance sheet. The disclosures must include methods and significant assumptions used to estimate fair values, along with any changes in those methods and assumptions from prior periods. FSP FAS 107-1 and APB 28-1 are effective for interim and annual periods ending after June 15, 2009, with early adoption permitted. Upon adoption of FSP FAS 107-1 and APB 28-1, the Company added a disclosure regarding the fair value of its long-term debt (see Note 9). Below is a summary of the Company s financial instruments, both of which are liabilities:

	June 30, 2009		**December 31, 2008**	
	Carrying Value	**Fair Value**	**Carrying Value**	**Fair Value**
Debt (see Note 9)	$(1,566,568)	$(1,572,038)	$(1,508,462)	$(1,449,147)
Interest rate swap agreements (see Note 10)	$ (18,995)	$ (18,995)	$ (24,781)	$ (24,781)

In May 2009, the FASB issued SFAS No. 165, *Subsequent Events* (SFAS No. 165). SFAS No. 165 should not result in significant changes in the subsequent events that an entity reports. Rather, SFAS No. 165 introduces the concept of financial statements that are available to be issued. Financial statements are considered available to be issued when they are complete in a form and format that complies with generally accepted accounting principles and all approvals necessary for issuance have been obtained. SFAS No. 165 was effective for interim or annual financial periods ending after June 15, 2009. The adoption of SFAS No. 165 did not have a significant impact on the Company s condensed consolidated financial statements. The Company has evaluated events through August 6, 2009, the day before the financial statements were issued and the date on which they were available to be issued.

In June 2009, the FASB issued SFAS No. 168, *The FASB Accounting Standards Codification and the Hierarchy of Generally Accepted Accounting Principles* (SFAS No. 168), which authorizes the Codification as the sole source for authoritative generally accepted accounting principles in the U.S. (U.S. GAAP). SFAS No. 168 is effective for financial statements issued for reporting periods that end after September 15, 2009. Once SFAS No. 168 is effective, it will supersede all accounting standards in U.S. GAAP, aside from those issued by the SEC. SFAS No. 168 replaces SFAS No. 162 to establish a new hierarchy of GAAP sources for non-governmental entities under the FASB Accounting Standards Codification. The adoption of SFAS No. 168 is not expected to have a significant impact on the Company s condensed consolidated financial statements.

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3. Earnings Per Share

As of January 1, 2009, the Company adopted FASB Staff Position (FSP) EITF 03-6-1, *Determining Whether Instruments Granted in Share-Based Payment Transactions Are Participating Securities"*. Under FSP-EITF 03-6-1, unvested share based payment awards that contain non-forfeitable rights to dividends or dividend equivalents (whether paid or unpaid) are participating securities and shall be included in the computation of earnings per share pursuant to the two-class method. The adoption of FSP-EITF 03-6-1 did not have a significant impact on the Company s earnings per share calculations.

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 reported 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. For the three and six months ended June 30, 2009 and 2008, diluted earnings per share was the same under both the two class method and the treasury stock method. The following table presents computations of basic and diluted earnings per share under the two class method:

	Three Months Ended June 30,		**Six Months Ended June 30,**	
	2009	**2008**	**2009**	**2008**
Numerator:				
Net income attributable to Cinemark Holdings, Inc.	$ 18,670	$ 15,523	$ 36,235	$ 20,774
Earnings allocated to participating share-based awards [(1)]	(129)	(49)	(185)	(37)
Net income attributable to common stockholders	$ 18,541	$ 15,474	$ 36,050	$ 20,737
Denominator (shares in thousands):				
Basic weighted average common stock outstanding	108,483	106,999	108,473	106,982
Common equivalent shares for stock options	1,744	2,184	1,428	2,196
Common equivalent shares for restricted stock units	39	35	21	8
Diluted	110,266	109,218	109,922	109,186
Basic earnings per share attributable to common stockholders	$ 0.17	$ 0.14	$ 0.33	$ 0.19
Diluted earnings per share attributable to common stockholders	$ 0.17	$ 0.14	$ 0.33	$ 0.19

(1) For the three months ended June 30, 2009 and 2008, a

weighted average of approximately 754 and 340 shares of unvested restricted stock, respectively, are considered participating securities. For the six months ended June 30, 2009 and 2008, a weighted average of approximately 559 and 190 shares of unvested restricted stock, respectively, are considered participating securities.

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4. Stockholders Equity

Below is a summary of changes in equity attributable to Cinemark Holdings, Inc., noncontrolling interests and total equity for the six months ended June 30, 2009 and 2008:

	Cinemark Holdings, Inc. Stockholders Equity	Noncontrolling Interests	Total Stockholders Equity
Balance at January 1, 2009	$ 811,256	$ 12,971	$ 824,227
Share based awards compensation expense	2,403		2,403
Exercise of stock options	206		206
Dividends paid to stockholders	(39,269)		(39,269)
Dividends accrued on unvested restricted stock unit awards	(85)		(85)
Dividends paid to noncontrolling interests		(700)	(700)
Purchase of noncontrolling interest share of an Argentina subsidiary	23	(117)	(94)
Comprehensive income:			
Net income	36,235	1,923	38,158
Fair value adjustments on interest rate swap agreements, net of taxes of $2,181	3,605		3,605
Amortization of accumulated other comprehensive loss on terminated swap agreement	2,317		2,317
Foreign currency translation adjustment	33,414	127	33,541
Balance at June 30, 2009	$ 850,105	$ 14,204	$ 864,309

On February 13, 2009, the Company s board of directors declared a cash dividend for the fourth quarter of 2008 in the amount of $0.18 per share of common stock payable to stockholders of record on March 5, 2009. The dividend was paid on March 20, 2009 in the total amount of approximately $19,595. On May 13, 2009, the Company s board of directors declared a cash dividend for the first quarter of 2009 in the amount of $0.18 per share of common stock payable to stockholders of record on June 2, 2009. The dividend was paid on June 18, 2009 in the total amount of approximately $19,674.

	Cinemark Holdings, Inc. Stockholders Equity	Noncontrolling Interests	Total Stockholders Equity
Balance at January 1, 2008	$ 1,019,203	$ 16,182	$ 1,035,385
Share based awards compensation expense	2,078		2,078
Exercise of stock options	633		633

Dividends paid to stockholders	(38,598)		(38,598)
Dividends accrued on unvested restricted stock unit awards	(25)		(25)
Dividends paid to noncontrolling interests		(340)	(340)
Comprehensive income:			
Net income	20,774	2,244	23,018
Fair value adjustments on interest rate swap agreements, net of taxes of $677	1,087		1,087
Foreign currency translation adjustment	27,440	210	27,650
Balance at June 30, 2008	$ 1,032,592	$ 18,296	$ 1,050,888

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

During the six months ended June 30, 2009, the Company s additional paid in capital increased by approximately $23 due to the Company s purchase of the noncontrolling interests share in one of the Company s Argentina subsidiaries. During the six months ended June 30, 2008, there were no increases or decreases to the Company s additional paid in capital for purchases or sales of existing noncontrolling interests.

5. Acquisitions

On March 18, 2009, the Company acquired four theatres with 82 screens from Muvico Entertainment L.L.C. in an asset purchase for $48,950 in cash. The acquisition resulted in an expansion of the Company s U.S. theatre base, as three of the theatres are located in Florida and one theatre is located in Maryland. The Company incurred approximately $113 in transaction costs, which are reflected in general and administrative expenses on the condensed consolidated statement of income for the six months ended June 30, 2009.

The transaction was accounted for by applying the acquisition method in accordance with SFAS No. 141(R) *Business Combinations* . The following table represents the identifiable assets acquired and liabilities assumed that have been recognized by the Company in its condensed consolidated balance sheet as of June 30, 2009:

Theatre properties and equipment	$ 25,575
Brandname	3,500
Noncompete agreement	1,630
Goodwill	44,565
Unfavorable lease	(3,600)
Capital lease liability (for one theatre)	(22,720)
Total	$ 48,950

The goodwill recorded is fully deductible for tax purposes.

6. Investment in National CineMedia

In March 2005, Regal Entertainment Inc. (Regal) and AMC Entertainment Inc. (AMC) formed National CineMedia, LLC, or NCM, and on July 15, 2005, the Company joined NCM, as one of the founding members. NCM operates the largest digital in-theatre network in the U.S. for providing cinema advertising and non-film events and combines the cinema advertising and non-film events businesses of the three largest motion picture exhibitors in the U.S. Upon joining NCM, the Company and NCM entered into an Exhibitor Services Agreement, pursuant to which NCM provides advertising, promotion and event services to the Company s theatres.

In consideration for NCM s exclusive access to the Company s theatre attendees for on-screen advertising and use of off-screen locations within the Company s theatres for the lobby entertainment network and lobby promotions, the Company receives a monthly theatre access fee under the Exhibitor Services Agreement. The theatre access fee is composed of a fixed payment per patron, initially seven cents, and a fixed payment per digital screen, which may be adjusted for certain enumerated reasons. The payment per theatre patron will increase by 8% every five years, with the first such increase taking effect after the end of fiscal 2011, and the payment per digital screen, initially eight hundred dollars per digital screen per year, will increase annually by 5%, beginning after 2007. For 2009, the annual payment per digital screen is eight hundred eighty-two dollars. The theatre access fee paid in the aggregate to Regal, AMC and the Company will not be less than 12% of NCM s Aggregate Advertising Revenue (as defined in the Exhibitor Services Agreement), or it will be adjusted upward to reach this minimum payment. Additionally, with respect to any on-screen advertising time provided to the Company s beverage concessionaire, the Company is required to purchase such time from NCM at a negotiated rate. The Exhibitor Services Agreement has, except with respect to certain limited services, a term of 30 years.

During March 2008, NCM performed a common unit adjustment calculation in accordance with the Common Unit Adjustment Agreement dated as of February 13, 2007 between NCM, Inc. and the Company, Regal and AMC. The common unit adjustment is based on the change in the number of screens operated by and attendance of the Company, AMC and Regal. As a result of the common unit adjustment calculation, the Company received an additional 846,303 common units of NCM, each of which is convertible into one share of NCM, Inc. common stock. The Company recorded

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the additional common units received at fair value as an investment with a corresponding adjustment to deferred revenue of $19,020. The common unit adjustment resulted in an increase in the Company s ownership percentage in NCM from approximately 14.0% to approximately 14.5%. Subsequent to the annual common unit adjustment discussed above, in May 2008, Regal completed an acquisition of another theatre circuit that required an extraordinary common unit adjustment calculation by NCM in accordance with the Common Unit Adjustment Agreement. As a result of this extraordinary common unit adjustment, Regal was granted additional common units of NCM, which resulted in dilution of the Company s ownership interest in NCM from 14.5% to 14.1%.

During March 2009, 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 1,197,303 common units of NCM, each of which is convertible into one share of NCM, Inc. common stock. The Company recorded the additional common units received at fair value as an investment with a corresponding adjustment to deferred revenue of $15,536. The common unit adjustment resulted in a change in the Company s ownership percentage in NCM from approximately 14.1% to 15.0%. As of June 30, 2009, the Company owned a total of 15,188,955 common units of NCM.

The Company accounts for its investment in NCM under the equity method of accounting due to its ability to exercise significant control over NCM. The Company has substantial rights as a founding member, including the right to designate a total of two nominees to the ten-member Board of Directors of NCM Inc., the sole manager.

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

	Three Months Ended June 30,		**Six Months Ended June 30,**	
	2009	**2008**	**2009**	**2008**
Other revenue	$1,469	$ 521	$ 2,870	$ 922
Equity income	$ 383	$ 37	$ 407	$ 37
Distributions from NCM	$5,027	$3,403	$11,606	$8,585

	June 30, 2009	**As of December 31, 2008**
Accounts receivable from NCM	$525	$ 228

Below is summary financial information for NCM for the three month period ended April 2, 2009 (data for the six month period ended July 2, 2009 is not yet available):

Gross revenues	$73,510
Operating income	$22,363
Net earnings	$11,941

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7. Investment in Digital Cinema Implementation Partners

On February 12, 2007, the Company, AMC and Regal entered into a joint venture known as Digital Cinema Implementation Partners LLC (DCIP) to facilitate the implementation of digital cinema in the Company s theatres and to establish agreements with major motion picture studios for the financing of digital cinema. Future digital cinema developments will be managed by DCIP, subject to the Company s approval along with the Company s partners, AMC and Regal. As of June 30, 2009, the Company has invested $7,000 and has a one-third ownership interest in DCIP. The Company is accounting for its investment in DCIP under the equity method of accounting.

During the six months ended June 30, 2008 and 2009, the Company recorded equity losses in DCIP of $1,343 and $1,478, respectively, relating to this investment. The Company s investment basis in DCIP was $1,017 and $1,039 at December 31, 2008 and June 30, 2009, respectively, which is included in investments in and advances to affiliates on the condensed consolidated balance sheets.

8. Share Based Awards

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

During August 2008, the Company filed a registration statement with the Securities and Exchange Commission on Form S-8 for the purpose of registering the additional shares available for issuance under the Restated Incentive Plan.

Stock Options A summary of stock option activity and related information for the six months ended June 30, 2009 is as follows:

	Number of Options	Weighted Average Exercise Price	Weighted Average Grant Date Fair Value	Aggregate Intrinsic Value
Outstanding at December 31, 2008	6,139,670	$ 7.63	$ 3.51	
Granted				
Exercised	(26,992)	$ 7.63	$ 3.51	
Forfeited				
Outstanding at June 30, 2009	6,112,678	$ 7.63	$ 3.51	$ 22,556
Options exercisable at June 30, 2009	6,112,678	$ 7.63	$ 3.51	$ 22,556

The total intrinsic value of options exercised during the six month period ended June 30, 2009 was $35.

During the six months ended June 30, 2009, the Company changed its estimated forfeiture rate of 5% to 2.5% based on actual cumulative stock option forfeitures. The cumulative impact of the reduction in forfeiture rate was

$260 and was recorded as additional compensation expense during the six months ended June 30, 2009.

The Company recorded compensation expense of $1,020, including the aforementioned $260 related to the change in forfeiture rate, and a tax benefit of approximately $385 during the six months ended June 30, 2009, related to the outstanding stock options. As of June 30, 2009, there was no remaining unrecognized compensation expense related to

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outstanding stock options and all outstanding options fully vested on April 2, 2009. All options outstanding at June 30, 2009 have an average remaining contractual life of approximately 5.25 years.

Restricted Stock During the six months ended June 30, 2009, the Company granted 472,881 shares of restricted stock to independent directors and employees of the Company. The fair value of the shares of restricted stock was determined based on the market value of the Company s stock on the dates of grant, which ranged from $9.50 to $11.32 per share. The Company assumed forfeiture rates ranging from zero to 5% for the restricted stock awards. The restricted stock vests over periods ranging from one year to four years based on continued service by the directors and employees.

A summary of restricted stock activity for the six months ended June 30, 2009 is as follows:

	Shares of Restricted Stock	Weighted Average Grant Date Fair Value
Outstanding at December 31, 2008	385,666	$13.32
Granted	472,881	$ 9.69
Forfeited	(18,591)	$11.02
Vested	(38,369)	$13.03
Outstanding at June 30, 2009	801,587	$11.24
Unvested restricted stock at June 30, 2009	801,587	$11.24

The Company recorded compensation expense of $1,065 related to these restricted stock awards during the six months ended June 30, 2009. As of June 30, 2009, the remaining unrecognized compensation expense related to these restricted stock awards was approximately $7,057 and the weighted average period over which this remaining compensation expense will be recognized is approximately three years. The total fair value of shares vested during the six months ended June 30, 2009 and 2008 was $419 and $286, respectively. Upon vesting, the Company receives an income tax deduction. The recipients of restricted stock are entitled to receive dividends and to vote their respective shares, however the sale and transfer of the restricted shares is prohibited during the restriction period.

Restricted Stock Units During the six months ended June 30, 2009, the Company granted restricted stock units representing 303,168 hypothetical shares of common stock under the Restated Incentive Plan. Similar to the restricted stock unit awards granted during 2008, the restricted stock units vest based on a combination of financial performance factors and continued service. The financial performance factors are based on an implied equity value concept that determines an internal rate of return (IRR) during the three fiscal year period ending December 31, 2011 based on a formula utilizing a multiple of Adjusted EBITDA subject to certain specified adjustments (as defined in the restricted stock unit award agreement). The financial performance factors for the restricted stock units have a threshold, target and maximum level of payment opportunity. If the IRR for the three year period is at least 8.5%, which is the threshold, one-third of the restricted stock units vest. If the IRR for the three year period is at least 10.5%, which is the target, two-thirds of the restricted stock units vest. If the IRR for the three year period is at least 12.5%, which is the maximum, 100% of the restricted stock units vest. All payouts of restricted stock units that vest are subject to an additional one year service requirement and will be paid in the form of common stock if the participant continues to provide services through the fourth anniversary of the grant date. Restricted stock unit award participants are eligible to receive dividend equivalent payments if and at the time the restricted stock unit awards become vested.

Below is a table summarizing the potential awards at each of the three levels of financial performance (excludes estimated forfeitures):

	Number of Shares Vesting	Value at Grant
at IRR of at least 8.5%	101,051	$ 963
at IRR of at least 10.5%	202,117	$1,927
at IRR of at least 12.5%	303,168	$2,891

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Due to the fact that the IRR for the three year period ending December 31, 2011 cannot be determined at the time of the grants, the Company has estimated that the most likely outcome is the achievement of the mid-point IRR level. As a result, the total compensation expense to be recorded for the restricted stock unit awards is $1,835 assuming a total of 192,407 units will vest at the end of the four year period. The Company assumed forfeiture rates ranging from zero to 5% for the restricted stock unit awards. If during the service period, additional information becomes available to lead the Company to believe a different IRR level will be achieved for the three year period ending December 31, 2011, the Company will reassess the number of units that will vest and adjust its compensation expense accordingly on a prospective basis over the remaining service period.

Below is a summary of outstanding restricted stock units:

	Number of Units	Weighted Average Grant Date Fair Value
Unvested restricted stock units at December 31, 2008 (1) (2)	135,027	$13.00
Granted (1)	192,407	$ 9.54
Forfeited	(13,279)	$11.02
Vested		
Unvested restricted stock units at June 30, 2009	314,155	$10.96

(1) Represents the number of shares to be issued, net of estimated forfeitures, if the mid-point IRR level is achieved for each respective grant.

(2) The terms of these awards are similar to those discussed for the awards granted during the six months ended June 30, 2009.

The Company recorded compensation expense of $318 related to these awards during the six months ended June 30, 2009. As of June 30, 2009, the remaining unrecognized compensation expense related to these restricted stock unit awards was $2,883 and the weighted average period over which this remaining compensation expense will be recognized is approximately three years.

9. Long-Term Debt Activity

Issuance of Cinemark USA, Inc. 8.625% Senior Notes Due 2019

On June 29, 2009, Cinemark USA, Inc. issued $470,000 aggregate principal amount of 8.625% senior notes due 2019 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 a majority of Cinemark, Inc. s 9^{3}/4% senior discount notes discussed below. Interest is payable on June 15 and December 15 of each year beginning on December 15, 2019. The senior notes mature on June 15, 2019. The Company incurred debt issue costs of approximately $11,976 in connection with the issuance.

The senior notes are fully and unconditionally guaranteed on a joint and several senior 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 debt. The senior notes and the guarantees are senior unsecured obligations and rank equally in right of payment with all of the Company s and its guarantor s existing and future senior unsecured debt and senior in right of payment to all of the Company s and its guarantor s existing and future subordinated debt. The senior notes and the guarantees are effectively subordinated to all of the Company 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 the Company s senior secured credit facility. The senior notes and the guarantees are structurally subordinated to all existing and future debt and other liabilities of the Company s subsidiaries that do not guarantee the senior notes.

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The indenture to the 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. Upon a change of control of Cinemark Holdings, Inc., Cinemark, Inc. or Cinemark USA, Inc., Cinemark USA, Inc. would be required to make an offer to repurchase the 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 senior notes allows Cinemark USA, Inc. to incur additional indebtedness if we satisfy the coverage ratio specified in the indenture, after giving effect to the incurrence of the additional indebtedness, and in certain other circumstances.

Prior to June 15, 2014, Cinemark USA, Inc. may redeem all or any part of the 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 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 senior notes from the net proceeds of certain equity offerings at the redemption price set forth in the senior notes.

The Company and its guarantor subsidiaries have agreed to file a registration statement with the Securities and Exchange Commission (the Commission) pursuant to which the Company will either offer to exchange the senior notes for substantially similar registered senior notes or register the resale of the senior notes, except that the exchanged registered senior notes will not contain terms with respect to transfer restrictions or provide for payment of additional interest as specified below. The registration rights agreement provides that (i) the Company will use its commercially reasonable best efforts to file an exchange offer registration statement with the Commission on or prior to 90 days after the closing of the senior notes offering, (ii) the Company will use its commercially reasonable best efforts to have the exchange offer registration statement declared effective by the Commission on or prior to 180 days after the closing of the senior notes offering, (iii) unless the exchange offer would not be permissible by applicable law or Commission policy, the Company will commence the exchange offer and use its commercially reasonable best efforts to issue on the earliest practicable date after the date on which the exchange offer registration statement was declared effective by the Commission, but not later than 30 days thereafter, exchange registered senior notes in exchange for all senior notes tendered prior thereto in the exchange offer and (iv) if obligated to file the 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 210 days after the closing of the senior notes offering) and to cause the shelf registration statement to be declared effective by the Commission on or prior to 180 days after such obligation arises. If applicable, the Company will use its commercially reasonable best efforts to keep the shelf registration statement effective for a period of two years after the closing of the senior notes offering, subject to certain exceptions.

If (a) the Company fails to file any of the registration statements required by the registration rights agreement on or before the date specified for such filing, (b) any of such registration statements is not declared effective by the Commission on or prior to the date specified for such effectiveness (the Effectiveness Target Date), (c) the Company fails to consummate the exchange offer within 30 business days of the effectiveness target date with respect to the exchange offer registration statement or (d) the shelf registration statement or the exchange offer registration statement is declared effective but thereafter ceases to be effective or usable in connection with resales of notes 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 secured 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 senior notes will not accrue additional interest from and after the third anniversary of the closing of the 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 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.

Cash Tender Offer for Cinemark, Inc. s 9 3/4% Senior Discount Notes due 2014

On June 15, 2009, Cinemark, Inc. commenced a cash tender offer for any and all of its 9 3/4% senior discount notes due 2014, of which $419,403 aggregate principal amount at maturity remained outstanding. In connection with the tender offer, Cinemark, Inc. solicited consents to adopt proposed amendments to the indenture to eliminate substantially all restrictive covenants and certain events of default provisions. On June 29, 2009, approximately $402,459 aggregate principal amount at maturity of the 9 3/4% senior discount notes were tendered and repurchased by the Company for approximately $433,415, including accrued interest of $11,336 and tender premiums paid of $19,620. The Company funded the repurchase with the proceeds from the issuance of the Cinemark USA, Inc. senior notes discussed above. The Company recorded a loss on early retirement of debt of approximately $26,795 during the six months ended June 30, 2009, which included tender premiums paid, other fees and the write-off of unamortized debt issue costs. As of June 30, 2009, Cinemark, Inc. had $16,944 aggregate principal amount at maturity of 9 3/4% senior discount notes remaining outstanding.

Effective as of June 29, 2009, Cinemark, Inc. and the Bank of New York Trust Company, N.A. as trustee to the indenture dated March 31, 2004, executed the First Supplemental Indenture to amend the Indenture by eliminating substantially all restrictive covenants and certain events of default provisions.

Fair Value of Long Term Debt

The Company estimates the fair value of its long term debt using quoted market prices and present value techniques, as appropriate. The carrying value of the Company s long term debt was $1,566,568 and $1,508,462 as of June 30, 2009 and December 31, 2008, respectively. The fair value of the Company s long term debt was $1,572,038 and $1,449,147 as of June 30, 2009 and December 31, 2008, respectively.

10. Interest Rate Swap Agreements

During 2007 and 2008, the Company entered into three interest rate swap agreements. The interest rate swap agreements qualify for cash flow hedge accounting in accordance with SFAS No. 133, *Accounting for Derivative Instruments and Hedging Activities.* The fair values of the interest rate swaps are recorded on the Company s condensed consolidated balance sheet as an asset or liability with the effective portion of the interest rate swaps gains or losses reported as a component of accumulated other comprehensive income (loss) and the ineffective portion reported in earnings. The Company s fair value measurements are based on 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 measurements use significant unobservable inputs, which fall in Level 3 under

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SFAS No. 157 *Fair Value Measurements*.

In March 2007, the Company entered into two interest rate swap agreements with effective dates of August 13, 2007 and terms of five years each. The interest rate swaps were designated to hedge approximately $500,000 of the Company s variable rate debt obligations under its senior secured credit facility. Under the terms of the interest rate swap agreements, the Company pays fixed rates of 4.918% and 4.922% on $375,000 and $125,000, respectively, of variable rate debt and receives interest at a variable rate based on the 3-month LIBOR. The 3-month LIBOR rate on each reset date determines the variable portion of the interest rate swaps for the three-month period following the reset date. No premium or discount was incurred upon the Company entering into the interest rate swaps because the pay and receive rates on the interest rate swaps represented prevailing rates for each counterparty at the time the interest rate swaps were consummated. The Company estimates the fair values of the interest rate swaps by comparing estimated future interest payments to be made under forecasted future 3-month LIBOR to the fixed rates in accordance with the interest rate swaps.

On September 14, 2008, the counterparty to the $375,000 interest rate swap agreement filed for bankruptcy protection. As a result, the Company determined that on September 15, 2008, when the counterparty s credit rating was downgraded, the interest rate swap was no longer highly effective. On October 1, 2008, this interest rate swap was terminated by the Company. The change in fair value of this interest rate swap agreement from inception to September 14, 2008 was recorded as a component of accumulated other comprehensive loss. The change in fair value from September 15, 2008 through September 30, 2008 and the gain on termination were recorded in earnings as a component of interest expense during the year ended December 31, 2008. The Company determined that the forecasted transactions hedged by this interest rate swap are still probable to occur, thus the total amount reported in accumulated other comprehensive loss related to this swap of $18,147 is being amortized on a straight-line basis to interest expense over the period during which the forecasted transactions are expected to occur, which is September 15, 2008 through August 13, 2012. The Company amortized approximately $0 and $2,317 to interest expense during the six months ended June 30, 2008 and 2009, respectively. The Company will amortize approximately $4,633 to interest expense over the next twelve months.

On October 3, 2008, the Company entered into one interest rate swap agreement with an effective date of November 14, 2008 and a term of four years. The interest rate swap was designated to hedge approximately $100,000 of the Company s variable rate debt obligations under its senior secured credit facility for three years and $75,000 of the Company s variable rate debt obligations under its senior secured credit facility for four years. Under the terms of the interest rate swap agreement, the Company pays a fixed rate of 3.63% on $175,000 of variable rate debt and receives interest at a variable rate based on the 1-month LIBOR. The 1-month LIBOR rate on each reset date determines the variable portion of the interest rate swap for the one-month period following the reset date. No premium or discount was incurred upon the Company entering into the interest rate swap because the pay and receive rates on the interest rate swap represented prevailing rates for the counterparty at the time the interest rate swap was consummated.

As of June 30, 2009, the fair values of the $125,000 interest rate swap and the $175,000 interest rate swap were liabilities of approximately $10,593 and $8,402, respectively which have been recorded as a component of other long-term liabilities. A corresponding cumulative amount of $11,660, net of taxes, has been recorded as an increase in accumulated other comprehensive loss on the Company s condensed consolidated balance sheet as of June 30, 2009. The interest rate swaps exhibited no ineffectiveness during the six months ended June 30, 2009.

Below is a reconciliation of our interest rate swap values, as included in other long-term liabilities on the condensed consolidated balance sheets, from the beginning of the year to June 30, 2009:

Beginning liability balance January 1, 2009	$ 24,781
Total gain included in accumulated other comprehensive loss	(5,786)

Ending liability balance	June 30, 2009	$ 18,995

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11. Goodwill and Other Intangible Assets

The Company s goodwill was as follows:

	U.S. Operating Segment	International Operating Segment	Total
Balance at December 31, 2008	$903,461	$136,357	$1,039,818
Acquisition of theatres [(1)]	44,565		44,565
Foreign currency translation adjustments		16,015	16,015
Balance at June 30, 2009	$948,026	$152,372	$1,100,398

(1) See Note 5.

In accordance with SFAS No. 142, *Goodwill and Other Intangible Assets* , the Company evaluates goodwill for impairment on an annual basis during the fourth quarter or whenever events or changes in circumstances indicate, the carrying value of goodwill might exceed its estimated fair value.

The Company evaluates goodwill for impairment at the reporting unit level and has allocated goodwill to the reporting unit based on an estimate of its relative fair value. The Company considers the reporting unit to be each of its sixteen regions in the U.S. and each of its eight countries internationally (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 exceeds the estimated fair value, a second step is performed to measure the potential goodwill impairment. Fair values are determined based on a multiple of cash flows, which was six and a half times for the evaluation performed during the fourth quarter of 2008. These fair value estimates fall in Level 3 under SFAS No. 157 *Fair Value Measurements* . Significant judgment is involved in estimating cash flows and fair value. Management s estimates are based on historical and projected operating performance as well as recent market transactions.

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Intangible assets consisted of the following:

	Balance at December 31, 2008	Additions[1]	Amortization	Other[2]	Balance at June 30, 2009
Intangible assets with finite lives:					
Vendor contracts:					
Gross carrying amount	$ 55,840	$ (375)	$	$ 670	$ 56,135
Accumulated amortization	(26,664)		(1,568)		(28,232)
Net carrying amount	29,176	(375)	(1,568)	670	27,903
Other intangible assets:					
Gross carrying amount	22,856	5,130		(790)	27,196
Accumulated amortization	(19,366)		(1,145)	772	(19,739)
Net carrying amount	3,490	5,130	(1,145)	(18)	7,457
Total net intangible assets with finite lives	32,666	4,755	(2,713)	652	35,360
Intangible assets with indefinite lives:					
Tradename	309,102			851	309,953
Total intangible assets net	$341,768	$4,755	$(2,713)	$1,503	$345,313

(1) The additions to other intangible assets are a result of the acquisition of theatres in the U.S. during March 2009 as discussed in Note 5. The reduction in vendor contracts is a result of an adjustment to the preliminary purchase price allocation related to the

acquisition of theatres in Brazil, which occurred during 2008.

(2) Includes foreign currency translation adjustments, impairment and write-offs for closed theatres. See Note 12 for summary of impairment charges.

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Aggregate amortization expense of $2,659 for the six months ended June 30, 2009 consisted of $2,713 of amortization of intangible assets and $(54) of net amortization of other assets and unfavorable leases. Estimated aggregate future amortization expense for intangible assets is as follows:

For the six months ended December 31, 2009	$ 3,702
For the twelve months ended December 31, 2010	5,531
For the twelve months ended December 31, 2011	5,242
For the twelve months ended December 31, 2012	4,355
For the twelve months ended December 31, 2013	3,625
Thereafter	12,905
Total	$ 35,360

12. Impairment of Long-Lived Assets

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

The Company considers actual theatre level cash flows, future years budgeted theatre level cash flows, theatre property and equipment carrying values, amortizing intangible assets carrying values, the age of a recently built theatre, competitive theatres in the marketplace, changes in foreign currency exchange rates, the impact of recent ticket price changes, available lease renewal options and other factors 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 estimated cash flows from continuing use through the remainder of the theatre s useful life. The remainder of the useful life correlates with the available remaining lease period, which includes the probability of renewal periods for leased properties and a period of twenty years for fee owned properties. If the estimated cash flows are not sufficient to recover a long-lived asset s carrying value, the Company then compares the carrying value of the asset group (theatre) with its estimated fair value. Fair value is determined based on a multiple of cash flows, which was eight times for the evaluations performed during the six months ended June 30, 2008 and six and a half times for the evaluations performed during the six months ended June 30, 2009. 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. These fair value estimates fall in Level 3 under SFAS No. 157 *Fair Value Measurements* . The estimated aggregate fair value of the long-lived assets impaired during the six months ended June 30, 2009 was approximately $6,100. Significant judgment is involved in estimating cash flows and fair value. Management s estimates are based on historical and projected operating performance as well as recent market transactions.

	Three Months Ended June 30,		**Six Months Ended June 30,**	
	2009	**2008**	**2009**	**2008**
United State theatre properties	$ 3,844	$ 1,058	$ 4,665	$ 5,545
International theatre properties	86	284	233	284
Subtotal	$ 3,930	$ 1,342	$ 4,898	$ 5,829
Intangible assets			71	

Impairment of long-lived assets	$ 3,930	$ 1,342	$ 4,969	$ 5,829

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13. Foreign Currency Translation

The accumulated other comprehensive loss account in stockholders equity of $72,347 and $33,011 at December 31, 2008 and June 30, 2009, respectively, includes the cumulative foreign currency adjustments from translating the financial statements of the Company s international subsidiaries into U.S. dollars.

In 2009 and 2008, all foreign countries where the Company has operations were deemed non-highly inflationary. Thus, any fluctuation in the currency results in a cumulative foreign currency translation adjustment recorded to accumulated other comprehensive loss.

On June 30, 2009, the exchange rate for the Brazilian real was 1.95 reais to the U.S. dollar (the exchange rate was 2.36 reais to the U.S. dollar at December 31, 2008). As a result, the effect of translating the June 30, 2009 Brazilian financial statements into U.S. dollars is reflected as a cumulative foreign currency translation adjustment to the accumulated other comprehensive loss account as an increase in stockholders equity of $29,378. At June 30, 2009, the total assets of the Company s Brazilian subsidiaries were U.S. $215,272.

On June 30, 2009, the exchange rate for the Mexican peso was 13.23 pesos to the U.S. dollar (the exchange rate was 13.78 pesos to the U.S. dollar at December 31, 2008). As a result, the effect of translating the June 30, 2009 Mexican financial statements into U.S. dollars is reflected as a cumulative foreign currency translation adjustment to the accumulated other comprehensive loss account as an increase in stockholders equity of $1,982. At June 30, 2009, the total assets of the Company s Mexican subsidiaries were U.S. $127,321.

On June 30, 2009, the exchange rate for the Chilean peso was 539.98 pesos to the U.S. dollar (the exchange rate was 648.00 pesos to the U.S. dollar at December 31, 2008). As a result, the effect of translating the June 30, 2009 Chilean financial statements into U.S. dollars is reflected as a cumulative foreign currency translation adjustment to the accumulated other comprehensive loss account as an increase in stockholders equity of $2,705. At June 30, 2009, the total assets of the Company s Chilean subsidiaries were U.S. $25,948.

The effect of translating the June 30, 2009 financial statements of the Company s other international subsidiaries, with local currencies other than the U.S. dollar, is reflected as a cumulative foreign currency translation adjustment to the accumulated other comprehensive loss account as a decrease in stockholders equity of $651.

14. Comprehensive Income

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

	Three Months Ended June 30,		**Six Months Ended June 30,**	
	2009	**2008**	**2009**	**2008**
Net income	$ 19,807	$ 16,615	$ 38,158	$ 23,018
Fair value adjustments on interest rate swap agreements , net of taxes (see Note 10)	3,553	13,045	3,605	1,086
Amortization of accumulated other comprehensive loss related to terminated swap agreement (see Note 10)	1,159		2,317	
Foreign currency translation adjustment (see Note 13)	36,090	17,829	33,541	27,650
Comprehensive income	$ 60,609	$ 47,489	$ 77,621	$ 51,754
Comprehensive income attributable to noncontrolling interests [(1)]	(2,085)	(369)	(2,050)	(2,454)
	$ 58,524	$ 47,120	$ 75,571	$ 49,300

Comprehensive income attributable to Cinemark Holdings, Inc.

(1) Comprehensive income attributable to noncontrolling interests consisted of net income and foreign currency translation adjustments.

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15. Supplemental Cash Flow Information

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

	Six Months Ended June 30, 2009	Six Months Ended June 30, 2008
Cash paid for interest[1]	$191,507	$42,931
Cash paid for income taxes, net of refunds received	$ 33,893	$ 7,504
Noncash investing and financing activities:		
Change in accounts payable and accrued expenses for the acquisition of theatre properties and equipment [2]	$ (7,118)	$ (3,349)
Theatre properties acquired under capital lease [3]	$ 20,400	$ 7,911
Investment in NCM (see Note 6)	$ 15,536	$19,020
Dividends accrued on unvested restricted stock unit awards	$ (85)	$ (25)

(1) Includes $151,952 of interest paid as a result of the repurchase of approximately $402,459 aggregate principal amount of the Company s $9^{3}/4$% senior discount notes. The interest portion of the repurchase had accreted on the senior discount notes since issuance during 2004.

(2) Additions to theatre properties and equipment included in accounts payable as of December 31,

2008 and June 30, 3009 were $13,989 and $6,871, respectively.

(3) Amount recorded during the six months ended June 30, 2009 was a result of the acquisition of theatres in the U.S. as discussed in Note 5.

16. 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, Chile, Colombia, Argentina, Ecuador, Peru, Honduras, El Salvador, Nicaragua, Costa Rica, Panama and Guatemala. The U.S. segment includes U.S. and Canada operations. Each segment s revenue is derived from admissions and concession sales and other ancillary revenues, primarily screen advertising. The primary measure of segment profit and loss the Company uses to evaluate performance and allocate its resources is Adjusted EBITDA, as defined in the reconciliation table below. The Company s management evaluates the performance of its assets on a consolidated basis.

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2009	**2008**	**2009**	**2008**
Revenues				
U.S.	$ 419,575	$ 360,247	$ 761,019	$ 669,047
International	98,962	97,900	184,158	191,009
Eliminations	(1,029)	(913)	(1,869)	(1,806)
Total Revenues	$ 517,508	$ 457,234	$ 943,308	$ 858,250
Adjusted EBITDA				
U.S.	$ 100,576	$ 78,815	$ 182,295	$ 143,691
International	20,216	21,023	36,485	40,307
Total Adjusted EBITDA	$ 120,792	$ 99,838	$ 218,780	$ 183,998
Capital Expenditures				
U.S.	$ 27,171	$ 12,490	$ 43,422	$ 38,385
International	10,875	8,625	17,496	13,531
Total Capital Expenditures	$ 38,046	$ 21,115	$ 60,918	$ 51,916

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

	Three Months Ended June 30, 2009	Three Months Ended June 30, 2008	Six Months Ended June 30, 2009	Six Months Ended June 30, 2008
Net income	$ 19,807	$ 16,615	$ 38,158	$ 23,018
Add (deduct):				
Income taxes	4,320	11,840	18,963	15,481
Interest expense (1)	25,649	30,061	51,113	62,134
Loss on early retirement of debt	26,795		26,795	40
Other income (2)	(994)	(2,224)	(2,287)	(5,117)
Depreciation and amortization	37,535	37,840	73,668	75,247
Amortization of favorable/unfavorable leases	346	699	669	1,403
Impairment of long-lived assets	3,930	1,342	4,969	5,829
Loss on sale of assets and other	1,186	1,109	1,458	910
Deferred lease expenses	1,034	914	2,121	2,146
Amortization of long-term prepaid rents	360	425	750	829
Share based awards compensation expense	824	1,217	2,403	2,078
Adjusted EBITDA	$ 120,792	$ 99,838	$ 218,780	$ 183,998

(1) Includes amortization of debt issue costs.

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

Financial Information About Geographic Areas

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

	Three Months Ended June 30,		Six Months Ended June 30,	
Revenues	**2009**	**2008**	**2009**	**2008**

U.S. and Canada	$ 419,575	$ 360,247	$ 761,019	$ 669,047
Brazil	49,323	47,000	92,581	91,634
Mexico	15,311	21,002	29,528	40,404
Other foreign countries	34,328	29,898	62,049	58,971
Eliminations	(1,029)	(913)	(1,869)	(1,806)
Total	$ 517,508	$ 457,234	$ 943,308	$ 858,250

Theatre Properties and Equipment-net	**June 30, 2009**	**December 31, 2008**
U.S. and Canada	$ 1,069,319	$ 1,073,551
Brazil	73,281	58,641
Mexico	39,042	38,290
Other foreign countries	42,490	37,801
Total	$ 1,224,132	$ 1,208,283

17. Related Party Transactions

The Company leases one theatre from Plitt Plaza Joint Venture (Plitt Plaza) on a month-to-month basis. Plitt Plaza is indirectly owned by Lee Roy Mitchell, who owns approximately 12% of the Company s issued and outstanding shares of common stock. Annual rent is approximately $118 plus certain taxes, maintenance expenses and insurance. The Company recorded $63 and $59 of facility lease and other operating expenses payable to Plitt Plaza joint venture during the six months ended June 30, 2008 and 2009, respectively.

The Company manages one theatre for Laredo Theatre, Ltd. (Laredo). The Company is the sole general partner and owns 75% of the limited partnership interests of Laredo. Lone Star Theatres, Inc. owns the remaining 25% of the limited partnership interests in Laredo and is 100% owned by Mr. David Roberts, Lee Roy Mitchell s son-in-law. Under

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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 $48 and $49 of management fee revenues during the six months ended June 30, 2008 and 2009, respectively. All such amounts are included in the Company s condensed consolidated financial statements with the intercompany amounts eliminated in consolidation.

The Company leases 22 theatres and two parking facilities from Syufy Enterprises, LP (Syufy) or affiliates of Syufy, which owns approximately 8% of the Company s issued and outstanding shares of common stock. Raymond Syufy is one of the Company s directors and is an officer of the general partner of Syufy. Of these 24 leases, 20 have fixed minimum annual rent in an aggregate amount of approximately $21,646. The four 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 six months ended June 30, 2008 and 2009, the Company paid approximately $658 and $645, respectively, in percentage rent for these four leases.

18. Commitments and Contingencies

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

19. Subsequent Event Dividend Declaration

On July 29, 2009, the Company s board of directors declared a cash dividend in the amount of $0.18 per common share payable to stockholders of record on August 17, 2009. The dividend will be paid on September 1, 2009.

20. Subsequent Event Notice of Call of $9\frac{3}{4}$% Senior Discount Notes

On August 3, 2009, the Company delivered to the Bank of New York Trust Company N.A., as trustee, a notice to redeem the $16,944 aggregate principal amount at maturity of the Company s $9\frac{3}{4}$% senior discount notes remaining outstanding. The notice specified September 8, 2009 as the redemption date. On the redemption date, the Company will pay a redemption price of 104.875% of the face amount of the discount notes remaining outstanding plus any accrued and unpaid interest to, but not including, the redemption date. The Company will use proceeds from the issuance of the Cinemark USA, Inc. senior notes to fund the redemption. The Company will record a loss on early retirement of debt of approximately $1,078 during the three months ended September 30, 2009, which includes call premiums paid and the write-off of unamortized debt issue costs.

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

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

We are the second largest motion picture exhibitor in the world, in terms of both attendance and the number of screens in operation, with theatres in the U.S., Canada, Brazil, Mexico, Chile, Colombia, Argentina, Ecuador, Peru, Honduras, El Salvador, Nicaragua, Costa Rica, Panama and Guatemala. For financial reporting purposes at June 30, 2009, we have two reportable operating segments, our U.S. operations and our international operations.

We generate revenues primarily from box office receipts and concession sales with additional revenues from screen advertising sales and other revenue streams, such as vendor marketing programs, pay phones, ATM machines and electronic video games located in some of our theatres. Our investment in NCM has assisted us in expanding our offerings to advertisers, exploring ancillary revenue sources such as digital video monitor advertising, third party branding, and the use of theatres for non-film events. In addition, we are able to use theatres during non-peak hours for concerts, sporting events, and other cultural events. Successful films released during the six months ended June 30, 2009 included *Transformers: Revenge of the Fallen,* Disney Pixar s, *Up, Star Trek, The Hangover, Night at the Museum 2: Battle of the Smithsonian, Monsters vs. Aliens, X-Men Origins: Wolverine, Taken* and *Fast & Furious.* Film releases scheduled for the remainder of 2009 include *Ice Age: Dawn of the Dinosaurs, Harry Potter and the Half-Blood Prince, Twilight 2: New Moon, Alvin and the Chipmunks: The Squeakuel, 2012, G.I. Joe: The Rise of Cobra, Funny People, Old Dogs, Sherlock Holmes* and 3-D movies such as *Cloudy With a Chance of Meatballs, The Final Destination*, *Avatar* and *A Christmas Carol.* Our revenues are affected by changes in attendance and average admissions and concession revenues per patron. Attendance is primarily affected by the quality and quantity of films released by motion picture studios.

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

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

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

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

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

Recent Developments

On July 29, 2009, our board of directors declared a cash dividend in the amount of $0.18 per common share payable to stockholders of record on August 17, 2009. The dividend will be paid on September 1, 2009.

On August 3, 2009, we delivered to the Bank of New York Trust Company N.A., as trustee, a notice to redeem the $16.9 million aggregate principal amount at maturity of our 9¾% senior discount notes remaining outstanding. The notice specified September 8, 2009 as the redemption date. On the redemption date, we will pay a redemption price of 104.875% of the face amount of the discount notes remaining outstanding plus any accrued and unpaid interest to, but not including, the redemption date.

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Results of Operations

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2009	2008	2009	2008
Operating data (in millions):				
Revenues				
Admissions	$ 339.1	$ 294.4	$ 619.0	$ 556.8
Concession	158.9	141.5	288.9	263.6
Other	19.5	21.3	35.4	37.8
Total revenues	$ 517.5	$ 457.2	$ 943.3	$ 858.2
Theatre operating costs (1)				
Film rentals and advertising	$ 190.9	$ 163.8	$ 338.0	$ 301.9
Concession supplies	24.0	23.2	43.7	42.0
Salaries and wages	52.0	45.3	96.4	87.9
Facility lease expense	59.2	56.1	114.9	112.4
Utilities and other	54.1	50.4	102.9	98.6
Total theatre operating costs	$ 380.2	$ 338.8	$ 695.9	$ 642.8
Operating data as a percentage of revenues:				
Revenues				
Admissions	65.5%	64.4%	65.6%	64.9%
Concession	30.7%	30.9%	30.6%	30.7%
Other	3.8%	4.7%	3.8%	4.4%
Total revenues	100.0%	100.0%	100.0%	100.0%
Theatre operating costs (1) (2)				
Film rentals and advertising	56.3%	55.6%	54.6%	54.2%
Concession supplies	15.1%	16.4%	15.1%	15.9%
Salaries and wages	10.0%	9.9%	10.2%	10.2%
Facility lease expense	11.4%	12.3%	12.2%	13.1%
Utilities and other	10.5%	11.0%	10.9%	11.5%
Total theatre operating costs	73.5%	74.1%	73.8%	74.9%
Average screen count (month end average)	4,862	4,683	4,826	4,672
Revenues per average screen (in dollars)	$106,450	$97,642	$195,452	$183,701

(1) Excludes depreciation and

amortization expense.

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

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Three months ended June 30, 2009 and 2008

Revenues. Total revenues increased $60.3 million to $517.5 million for the three months ended June 30, 2009 (second quarter of 2009) from $457.2 million for the three months ended June 30, 2008 (second quarter of 2008), representing a 13.2% 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 Three Months Ended June 30,			International Operating Segment Three Months Ended June 30,			Consolidated Three Months Ended June 30,		
	2009	2008	% Change	2009	2008	% Change	2009	2008	% Change
Admissions revenues (in millions)	$ 276.2	$ 234.3	17.9%	$ 62.9	$ 60.1	4.7%	$ 339.1	$ 294.4	15.2%
Concession revenues (in millions)	$ 131.2	$ 114.3	14.8%	$ 27.7	$ 27.2	1.8%	$ 158.9	$ 141.5	12.3%
Other revenues (in millions) (1)	$ 11.1	$ 10.7	3.7%	$ 8.4	$ 10.6	(20.8%)	$ 19.5	$ 21.3	(8.5%)
Total revenues (in millions) (1)	$ 418.5	$ 359.3	16.5%	$ 99.0	$ 97.9	1.1%	$ 517.5	$ 457.2	13.2%
Attendance (in millions)	43.9	38.6	13.7%	17.2	14.8	16.2%	61.1	53.4	14.4%
Revenues per screen (in dollars) (1)	$109,438	$97,871	11.8%	$95,431	$96,811	(1.4%)	$106,450	$97,642	9.0%

(1) U.S. operating segment revenues include eliminations of intercompany transactions with the international operating segment. See Note 16 of our condensed consolidated financial statements.

Consolidated. The increase in admissions revenues of $44.7 million was primarily attributable to a 14.4% increase in attendance and a 0.7% increase in average ticket price from $5.51 for the second quarter of 2008 to $5.55 for the second quarter of 2009. The increase in concession revenues of $17.4 million was primarily attributable to the 14.4%

increase in attendance, partially offset by a 1.9% decrease in concession revenues per patron from $2.65 for the second quarter of 2008 to $2.60 for the second quarter of 2009. The decrease in concession revenues per patron was primarily due to the unfavorable impact of exchange rates in certain countries in which we operate. The 8.5% decrease in other revenues was primarily due to decreases in ancillary revenue and the unfavorable impact of exchange rates in certain countries in which we operate.

U.S. The increase in admissions revenues of $41.9 million was primarily attributable to a 13.7% increase in attendance and a 3.6% increase in average ticket price from $6.07 for the second quarter of 2008 to $6.29 for the second quarter of 2009. The increase in concession revenues of $16.9 million was primarily attributable to the 13.7% increase in attendance and a 1.0% increase in concession revenues per patron from $2.96 for the second quarter of 2008 to $2.99 for the second quarter of 2009. The increases in average ticket price and concession revenues per patron were primarily due to price increases.

International. The increase in admissions revenues of $2.8 million was primarily attributable to a 16.2% increase in attendance, partially offset by a 9.9% decrease in average ticket price from $4.06 for the second quarter of 2008 to $3.66 for the second quarter of 2009. The increase in concession revenues of $0.5 million was primarily attributable to the 16.2% increase in attendance, partially offset by a 12.5% decrease in concession revenues per patron from $1.84 for the second quarter of 2008 to $1.61 for the second quarter of 2009. The decreases in average ticket price and concession revenues per patron were primarily due to the unfavorable impact of exchange rates in certain countries in which we operate. The 20.8% decrease in other revenues was primarily due to decreases in ancillary revenue and the unfavorable impact of exchange rates in certain countries in which we operate.

Theatre Operating Costs (excludes depreciation and amortization expense). Theatre operating costs were $380.2 million, or 73.5% of revenues, for the second quarter of 2009 compared to $338.8 million, or 74.1% of revenues, for the second quarter of 2008. The table below, presented by reportable operating segment, summarizes our year-over-year theatre operating costs.

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	U.S. Operating Segment Three Months Ended June 30,		International Operating Segment Three Months Ended June 30,		Consolidated Three Months Ended June 30,	
	2009	**2008**	**2009**	**2008**	**2009**	**2008**
Film rentals and advertising	$158.8	$134.4	$32.1	$29.4	$190.9	$163.8
Concession supplies	17.2	16.3	6.8	6.9	24.0	23.2
Salaries and wages	43.8	37.4	8.2	7.9	52.0	45.3
Facility lease expense	45.1	41.3	14.1	14.8	59.2	56.1
Utilities and other	40.7	36.5	13.4	13.9	54.1	50.4
Total theatre operating costs	$305.6	$265.9	$74.6	$72.9	$380.2	$338.8

Consolidated. Film rentals and advertising costs were $190.9 million, or 56.3% of admissions revenues, for the second quarter of 2009 compared to $163.8 million, or 55.6% of admissions revenues, for the second quarter of 2008. The increase in film rentals and advertising costs of $27.1 million is primarily due to a $44.7 million increase in admissions revenues, which contributed $25.4 million, and an increase in our film rental and advertising rate, which contributed $1.7 million. Concession supplies expense was $24.0 million, or 15.1% of concession revenues, for the second quarter of 2009 compared to $23.2 million, or 16.4% of concession revenues, for the second quarter of 2008. The decrease in the concession supplies rate is primarily related to the incremental benefit of our new U.S. beverage agreement that was effective at the beginning of 2009.

Salaries and wages increased to $52.0 million for the second quarter of 2009 from $45.3 million for the second quarter of 2008 primarily due to new theatres and increased staffing levels to support the 14.4% increase in attendance. Facility lease expense increased to $59.2 million for the second quarter of 2009 from $56.1 million for the second quarter of 2008 primarily due to new theatres and increased percentage rent. Utilities and other costs increased to $54.1 million for the second quarter of 2009 from $50.4 million for the second quarter of 2008 primarily due to new theatres, increased repairs and maintenance expense and increased 3-D equipment rental fees.

U.S. Film rentals and advertising costs were $158.8 million, or 57.5% of admissions revenues, for the second quarter of 2009 compared to $134.4 million, or 57.4% of admissions revenues, for the second quarter of 2008. The increase in film rentals and advertising costs of $24.4 million is due to a $41.9 million increase in admissions revenues. Concession supplies expense was $17.2 million, or 13.1% of concession revenues, for the second quarter of 2009 compared to $16.3 million, or 14.3% of concession revenues, for the second quarter of 2008. The decrease in the concession supplies rate is primarily related to the incremental benefit of our new U.S. beverage agreement that was effective at the beginning of 2009.

Salaries and wages increased to $43.8 million for the second quarter of 2009 from $37.4 million for the second quarter of 2008 primarily due to new theatres and increased staffing levels to support the 13.7% increase in attendance. Facility lease expense increased to $45.1 million for the second quarter of 2009 from $41.3 million for the second quarter of 2008 primarily due to new theatres and increased percentage rent. Utilities and other costs increased to $40.7 million for the second quarter of 2009 from $36.5 million for the second quarter of 2008 primarily due to new theatres, increased repairs and maintenance expense and increased 3-D equipment rental fees.

International. Film rentals and advertising costs were $32.1 million, or 51.0% of admissions revenues, for the second quarter of 2009 compared to $29.4 million, or 48.9% of admissions revenues, for the second quarter of 2008. The increase in our film rental and advertising rate was primarily due to higher film rental rates associated with the solid slate of films released during the second quarter of 2009 versus 2008. Concession supplies expense was $6.8 million, or 24.5% of concession revenues, for the second quarter of 2009 compared to $6.9 million, or 25.4% of concession revenues, for the second quarter of 2008.

Salaries and wages increased to $8.2 million for the second quarter of 2009 from $7.9 million for the second quarter of 2008 primarily due to new theatres and increased staffing levels to support the 16.2% increase in attendance, partially offset by the impact of exchange rates in certain countries in which we operate. Facility lease expense decreased to $14.1 million for the second quarter of 2009 from $14.8 million for the second quarter of 2008 primarily due to the impact of exchange rates in certain countries in which we operate. Utilities and other costs decreased to $13.4 million for the second quarter of 2009 from $13.9 million for the second quarter of 2008 primarily due to the impact of exchange rates in certain countries in which we operate.

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General and Administrative Expenses. General and administrative expenses decreased to $23.7 million for the second quarter of 2009 from $24.5 million for the second quarter of 2008. The decrease was primarily due to decreased legal and professional fees, partially offset by increased compensation expense and increased service charges related to increased credit card activity.

Depreciation and Amortization. Depreciation and amortization expense, including amortization of favorable/unfavorable leases, was $37.9 million for the second quarter of 2009 compared to $38.5 million for the second quarter of 2008. The decrease was due to the impact of exchange rates in certain countries in which we operate.

Impairment of Long-Lived Assets. We recorded asset impairment charges on assets held and used of $3.9 million for the second quarter of 2009 compared to $1.3 million for the second quarter of 2008. Impairment charges for the second quarter of 2009 were primarily for one U.S. theatre property.

Loss on Sale of Assets and Other. We recorded a loss on sale of assets and other of $1.2 million during the second quarter of 2009 compared to $1.1 million during the second quarter of 2008.

Interest Expense. Interest costs incurred, including amortization of debt issue costs, were $25.6 million for the second quarter of 2009 compared to $30.1 million for the second quarter of 2008. The decrease was primarily due to decreases in interest rates on our variable rate debt.

Interest Income. We recorded interest income of $0.9 million during the second quarter of 2009 compared to $2.9 million during the second quarter of 2008. The decrease was primarily due to lower interest rates earned on our cash investments.

Loss on Early Retirement of Debt. During the second quarter of 2009, we recorded a loss on early retirement of debt of $26.8 million as a result of the tender premiums paid and other fees related to the repurchase of approximately $402.5 million aggregate principal amount at maturity of Cinemark, Inc.   s 9 3/4% senior discount notes and the write-off of unamortized debt issue costs associated with these notes.

Distributions from NCM. We recorded distributions from NCM of $5.0 million during the second quarter of 2009 and $3.4 million during the second quarter of 2008, which were in excess of the carrying value of our investment. See Note 6 to our condensed consolidated financial statements.

Income Taxes. Income tax expense of $4.3 million was recorded for the second quarter of 2009 compared to $11.8 million for the second quarter of 2008. The effective tax rate was 17.9% for the second quarter of 2009 compared to 41.6% for the second quarter of 2008. Income tax expense for the second quarter of 2009 includes the impact of two discrete items, including an adjustment to our deferred tax liability and an increase to our foreign unrecognized tax benefits in accordance with FIN48. The net impact of these two items on income tax expense for the second quarter of 2009 was a benefit of approximately $4.9 million. Neither item resulted in a current year payment of income taxes. Income tax provisions for interim (quarterly) periods are based on estimated annual income tax rates and are adjusted for the effects of significant, infrequent or unusual items (i.e. discrete items) occurring during the interim period. As a result, the interim rate may vary significantly from the normalized annual rate.

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Six months ended June 30, 2009 and 2008

Revenues. Total revenues increased $85.1 million to $943.3 million for the six months ended June 30, 2009 (the 2009 period) from $858.2 million for the six months ended June 30, 2008 (the 2008 period), representing a 9.9% increase. The table below, presented by reportable operating segment, summarizes our year-over-year revenue performance and certain key performance indicators that impact our revenues.

	U.S. Operating Segment Six Months Ended June 30,			International Operating Segment Six Months Ended June 30,			Consolidated Six Months Ended June 30,		
	2009	2008	% Change	2009	2008	% Change	2009	2008	% Change
Admissions revenues (in millions)	$ 501.7	$ 437.1	14.8%	$ 117.3	$ 119.7	(2.0%)	$ 619.0	$ 556.8	11.2%
Concession revenues (in millions)	$ 237.2	$ 211.0	12.4%	$ 51.7	$ 52.6	(1.7%)	$ 288.9	$ 263.6	9.6%
Other revenues (in millions) (1)	$ 20.2	$ 19.1	5.8%	$ 15.2	$ 18.7	(18.7%)	$ 35.4	$ 37.8	(6.3%)
Total revenues (in millions) (1)	$ 759.1	$ 667.2	13.8%	$ 184.2	$ 191.0	(3.6%)	$ 943.3	$ 858.2	9.9%
Attendance (in millions)	81.2	72.9	11.4%	34.0	30.2	12.6%	115.2	103.1	11.7%
Revenues per screen (in dollars) (1)	$200,379	$182,264	9.9%	$177,636	$188,904	(6.0%)	$195,452	$183,701	6.4%

(1) U.S. operating segment revenues include eliminations of intercompany transactions with the international operating segment. See Note 16 of our condensed consolidated financial statements.

Consolidated. The increase in admissions revenues of $62.2 million was primarily attributable to an 11.7% increase in attendance, partially offset by a 0.6% decrease in average ticket price from $5.40 for the 2008 period to $5.37 for the 2009 period. The increase in concession revenues of $25.3 million was primarily attributable to the 11.7% increase in attendance, partially offset by a 2.0% decrease in concession revenues per patron from $2.56 for the 2008 period to $2.51 for the 2009 period. The decreases in average ticket price and concession revenues per patron were primarily due to the unfavorable impact of exchange rates in certain countries in which we operate. The 6.3% decrease in other revenues was primarily due to decreases in ancillary revenue and the unfavorable impact of exchange rates in certain countries in which we operate.

U.S. The increase in admissions revenues of $64.6 million was primarily attributable to an 11.4% increase in attendance and a 3.0% increase in average ticket price from $6.00 for the 2008 period to $6.18 for the 2009 period. The increase in concession revenues of $26.2 million was primarily attributable to the 11.4% increase in attendance and a 1.0% increase in concession revenues per patron from $2.89 for the 2008 period to $2.92 for the 2009 period. The increases in average ticket price and concession revenues per patron were primarily due to price increases.

International. The decrease in admissions revenues of $2.4 million was primarily attributable to a 12.9% decrease in average ticket price from $3.96 for the 2008 period to $3.45 for the 2009 period, partially offset by a 12.6% increase in attendance. The decrease in concession revenues of $0.9 million was primarily attributable to a 12.6% decrease in concession revenues per patron from $1.74 for the 2008 period to $1.52 for the 2009 period, partially offset by the 12.6% increase in attendance. The decreases in average ticket price and concession revenues per patron were primarily due to the unfavorable impact of exchange rates in certain countries in which we operate. The decrease in other revenues of $3.5 million was primarily due to decreases in ancillary revenue and the unfavorable impact of exchange rates in certain countries in which we operate.

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Theatre Operating Costs (excludes depreciation and amortization expense). Theatre operating costs were $695.9 million, or 73.8% of revenues, for the 2009 period compared to $642.8 million, or 74.9% of revenues, for the 2008 period. The table below, presented by reportable operating segment, summarizes our year-over-year theatre operating costs.

	U.S. Operating Segment Six Months Ended June 30,		International Operating Segment Six Months Ended June 30,		Consolidated Six Months Ended June 30,	
	2009	**2008**	**2009**	**2008**	**2009**	**2008**
Film rentals and advertising	$278.8	$243.2	$ 59.2	$ 58.7	$338.0	$301.9
Concession supplies	30.6	28.8	13.1	13.2	43.7	42.0
Salaries and wages	81.1	72.8	15.3	15.1	96.4	87.9
Facility lease expense	87.7	82.8	27.2	29.6	114.9	112.4
Utilities and other	77.6	71.7	25.3	26.9	102.9	98.6
Total theatre operating costs	$555.8	$499.3	$140.1	$143.5	$695.9	$642.8

Consolidated. Film rentals and advertising costs were $338.0 million, or 54.6% of admissions revenues, for the 2009 period compared to $301.9 million, or 54.2% of admissions revenues, for the 2008 period. The increase in film rentals and advertising costs of $36.1 million is primarily due to a $62.2 million increase in admissions revenues, which contributed $34.8 million, and an increase in our film rental and advertising rate, which contributed $1.3 million. Concession supplies expense was $43.7 million, or 15.1% of concession revenues, for the 2009 period, compared to $42.0 million, or 15.9% of concession revenues, for the 2008 period. The decrease in the concession supplies rate is primarily related to the benefit of our new U.S. beverage agreement that was effective at the beginning of 2009. Salaries and wages increased to $96.4 million for the 2009 period from $87.9 million for the 2008 period primarily due to new theatres and increased staffing levels to support the 11.7% increase in attendance. Facility lease expense increased to $114.9 million for the 2009 period from $112.4 million for the 2008 period primarily due to new theatres and increased percentage rent. Utilities and other costs increased to $102.9 million for the 2009 period from $98.6 million for the 2008 period primarily due to new theatres, increased repairs and maintenance expense and increased 3-D equipment rental fees.

U.S. Film rentals and advertising costs were $278.8 million for the 2009 period compared to $243.2 million, for the 2008 period. The increase in film rentals and advertising costs of $35.6 million is due to a $64.6 million increase in admissions revenues, as the film rentals and advertising rate remained flat at 55.6%. Concession supplies expense was $30.6 million, or 12.9% of concession revenues, for the 2009 period, compared to $28.8 million, or 13.6% of concession revenues, for the 2008 period. The decrease in the concession supplies rate is primarily related to the benefit of our new U.S. beverage agreement that was effective at the beginning of 2009.

Salaries and wages increased to $81.1 million for the 2009 period from $72.8 million for the 2008 period primarily due to new theatres and increased staffing levels to support the 11.4% increase in attendance. Facility lease expense increased to $87.7 million for the 2009 period from $82.8 million for the 2008 period primarily due to new theatres and increased percentage rent. Utilities and other costs increased to $77.6 million for the 2009 period from $71.7 million for the 2008 period primarily due to new theatres, increased repairs and maintenance expense and increased 3-D equipment rental fees.

International. Film rentals and advertising costs were $59.2 million, or 50.5% of admissions revenues, for the 2009 period compared to $58.7 million, or 49.0% of admissions revenues, for the 2008 period. The increase in our film rental and advertising rate was primarily due to higher film rental rates associated with the solid slate of films released during the 2009 period. Concession supplies expense was $13.1 million, or 25.3% of concession revenues, for the 2009 period compared to $13.2 million, or 25.1% of concession revenues, for the 2008 period.

Salaries and wages increased to $15.3 million for the 2009 period from $15.1 million for the 2008 period primarily due to new theatres. Facility lease expense decreased to $27.2 million for the 2009 period from $29.6 million for the 2008 period primarily due to the impact of exchange rates in certain countries in which we operate. Utilities and other costs decreased to $25.3 million for the 2009 period from $26.9 million for the 2008 period primarily due to the impact of exchange rates in certain countries in which we operate.

General and Administrative Expenses. General and administrative expenses increased to $45.5 million for the 2009 period from $45.1 million for the 2008 period. The increase was primarily due to increased compensation expense and increased service charges related to increased credit card activity partially offset by decreased legal and professional fees.

Depreciation and Amortization. Depreciation and amortization expense, including amortization of favorable/unfavorable leases, was $74.3 million for the 2009 period compared to $76.7 million for the 2008 period. The decrease was due to the impact of exchange rates in certain countries in which we operate.

Impairment of Long-Lived Assets. We recorded asset impairment charges on assets held and used of $5.0 million for the 2009 period compared to $5.8 million for the 2008 period. Impairment charges for the 2009 and 2008 periods were primarily for U.S. theatre properties.

Loss on Sale of Assets and Other. We recorded a loss on sale of assets and other of $1.5 million during the 2009 period compared to $0.9 million during the 2008 period.

Interest Expense. Interest costs incurred, including amortization of debt issue costs, were $51.1 million for the 2009 period compared to $62.1 million for the 2008 period. The decrease was primarily due to decreases in interest rates on our variable rate debt.

Interest Income. We recorded interest income of $2.8 million during the 2009 period compared to $6.7 million during the 2008 period. The decrease in interest income was primarily due to lower interest rates earned on our cash investments.

Loss on Early Retirement of Debt. During the 2009 period, we recorded a loss on early retirement of debt of $26.8 million as a result of the tender premiums paid and other fees related to the repurchase of approximately $402.5 million aggregate principal amount at maturity of Cinemark, Inc. s 9 3/4% senior discount notes and the write-off of unamortized debt issue costs associated with these notes.

Distributions from NCM. We recorded distributions from NCM of $11.6 million during the 2009 period and $8.6 million during the 2008 period, which were in excess of the carrying value of our investment. See Note 6 to our condensed consolidated financial statements.

Income Taxes. Income tax expense of $19.0 million was recorded for the 2009 period compared to $15.5 million for the 2008 period. The effective tax rate was 33.2% for the 2009 period compared to 40.2% for the 2008 period. Income tax expense for the 2009 period includes the impact of two discrete items, including an adjustment to our deferred tax liability and an increase to our foreign unrecognized tax benefits in accordance with FIN48. The net impact of the two items on income tax expense for the 2009 period was a benefit of approximately $4.9 million. Neither item resulted in a current year payment of income taxes. Income tax provisions for interim (quarterly) periods are based on estimated annual income tax rates and are adjusted for the effects of significant, infrequent or unusual items (i.e. discrete items) occurring during the interim period. As a result, the interim rate may vary significantly from the normalized annual rate.

Liquidity and Capital Resources

Operating Activities

We primarily collect our revenues in cash, mainly through box office receipts and the sale of concessions. In addition, a majority of our theatres provide the patron a choice of using a credit card, in place of cash, which we convert to cash over a range of one to six days. Because our revenues are received in cash prior to the payment of related expenses, we have an operating float and historically have not required traditional working capital financing. Cash used for operating activities was $10.7 million for the six months ended June 30, 2009 compared to cash provided by operating activities of $139.0 million for the six months ended June 30, 2008. The decrease in cash provided by operating activities is due to the repurchase of approximately $402.5 million of our 9 3/4% senior discount notes, which included payment of $152.0 million of accreted interest that had accreted on the senior discount notes since issuance during 2004. The principal portion of the repurchase is reflected as a financing activity.

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Investing Activities

Our investing activities have been principally related to the development and acquisition of additional theatres. New theatre openings and acquisitions historically have been financed with internally generated cash and by debt financing, including borrowings under our senior secured credit facility. Cash used for investing activities was $110.7 million for the six months ended June 30, 2009 compared to $34.4 million for the six months ended June 30, 2008. The increase in cash used for investing activities is primarily due to the acquisition of theatres in the U.S. on March 18, 2009, for approximately $49.0 million. See Note 5 to the condensed consolidated financial statements.

Capital expenditures for the six months ended June 30, 2009 and 2008 were as follows (in millions):

Period	New Theatres	Existing Theatres	Total
Six Months Ended June 30, 2009	$24.0	$36.9	$60.9
Six Months Ended June 30, 2008	$36.4	$15.5	$51.9

We continue to expand our U.S. theatre circuit. We acquired four theatres with 82 screens, built three theatres with 38 screens and closed four theatres with 20 screens during the six months ended June 30, 2009, bringing our total domestic screen count to 3,842. At June 30, 2009, we had signed commitments to open one new theatre with 16 screens in domestic markets during the remainder of 2009 and open five new theatres with 70 screens subsequent to 2009. We estimate the remaining capital expenditures for the development of these 86 domestic screens will be approximately $34 million. Actual expenditures for continued theatre development and acquisitions are subject to change based upon the availability of attractive opportunities.

We also continue to expand our international theatre circuit. We built four theatres with 25 screens and closed three theatres and 19 screens during the six months ended June 30, 2009, bringing our total international screen count to 1,047. At June 30, 2009, we had signed commitments to open three new theatres with 18 screens in international markets during the remainder of 2009 and open three new theatres with 22 screens subsequent to 2009. We estimate the remaining capital expenditures for the development of these 40 international screens will be approximately $22 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 senior secured credit facility, from debt issuances, proceeds from sale leaseback transactions and/or sales of excess real estate.

Financing Activities

Cash provided by financing activities was $146.6 million for the six months ended June 30, 2009 compared to cash used for financing activities of $50.9 million for the six months ended June 30, 2008. The increase in cash provided by financing activities is primarily due to the net proceeds of $458.5 million from the issuance of our $470 million 8.625% senior notes, partially offset by the repurchase of approximately $402.5 million of our 9 3/4% senior discount notes, the aggregate principal portion of which was $250.5 million. The interest portion of the repurchase is reflected as an operating activity.

On February 13, 2009, our board of directors declared a cash dividend for the fourth quarter of 2008 in the amount of $0.18 per share of common stock payable to stockholders of record on March 5, 2009. The dividend was paid on March 20, 2009 in the total amount of approximately $19.6 million. On May 13, 2009, our board of directors declared a cash dividend for the first quarter of 2009 in the amount of $0.18 per share of common stock payable to stockholders of record on June 2, 2009. The dividend was paid on June 18, 2009 in the total amount of approximately $19.7 million.

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We may from time to time, subject to compliance with our debt instruments, purchase on the open market our debt securities depending upon the availability and prices of such securities. Long-term debt consisted of the following as of June 30, 2009 and December 31, 2008 (in millions):

	June 30, 2009	December 31, 2008
Cinemark, USA, Inc. term loan	$1,089.2	$ 1,094.8
Cinemark USA, Inc. 8 5/8% senior notes due 2019[1]	458.5	
Cinemark, Inc. 9 3/4% senior discount notes due 2014	16.9	411.3
Cinemark USA, Inc. 9% senior subordinated notes due 2013	0.2	0.2
Other long-term debt	1.7	2.2
Total long-term debt	1,566.5	1,508.5
Less current portion	12.6	12.5
Long-term debt, less current portion	$1,553.9	$ 1,496.0

1 Includes the $470.0 million aggregate principal amount of the 8 5/8% senior notes net of the discount of $11.5 million.

As of June 30, 2009, we had borrowings of $1,089.2 million outstanding on the term loan under our senior secured credit facility, $470.0 million aggregate principal amount outstanding under our 8 5/8% senior notes, $16.9 million aggregate principal amount at maturity under our 9 3/4% senior discount notes and approximately $0.2 million aggregate principal amount outstanding under our 9% senior subordinated notes, respectively. We had a minimum of approximately $121.5 million in available borrowing capacity under our revolving credit facility. The availability of our revolving credit facility may have recently been impacted by the insolvency of one of the lenders under our facility. As such, it is uncertain whether this lender would fund its $28.5 million commitment under the $150.0 million revolving credit facility. We were in full compliance with all covenants governing our outstanding debt at June 30, 2009.

As of June 30, 2009, 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:

	Payments Due by Period (in millions)				
Contractual Obligations	Total	Less Than One Year	1 - 3 Years	4 - 5 Years	After 5 Years
Long-term debt [1]	$1,578.0	$ 12.6	$ 22.7	$1,072.7	$ 470.0
Scheduled interest payments on long-term debt [2]	614.3	77.3	153.8	118.6	264.6

Operating lease obligations	1,908.1	182.3	359.6	346.7	1,019.5
Capital lease obligations	143.6	6.9	14.7	18.1	103.9
Scheduled interest payments on capital leases	115.3	14.3	26.5	23.3	51.2
Employment agreements	9.9	3.3	6.6		
Purchase commitments [3]	63.3	21.5	41.6	0.1	0.1
FIN 48 liabilities [4]	10.8	10.8			
Total obligations	$4,443.3	$ 329.0	$625.5	$1,579.5	$1,909.3

[1] Includes the 8 5/8% senior notes in the aggregate principal amount outstanding of $470.0 million, excluding the discount of $11.5 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 June 30, 2009. The average interest rates on our fixed rate and variable rate debt were 7.6% and 2.2%, respectively, as of June 30, 2009.

[3]

Includes estimated capital expenditures associated with the construction of new theatres to which we were committed as of June 30, 2009.

[4] The contractual obligations table excludes the long-term portion of our FIN 48 liabilities of $14.4 million because we cannot make a reliable estimate of the timing of the related cash payments.

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

On March 31, 2004, Cinemark, Inc. issued $577.2 million aggregate principal amount at maturity of 9 3/4% senior discount notes due 2014. Interest on the notes accretes until March 15, 2009 up to their aggregate principal amount. Cash interest will accrue and be payable semi-annually in arrears on March 15 and September 15, commencing on September 15, 2009. Payments of principal and interest under these notes will be dependent on loans, dividends and other payments from Cinemark, Inc. s subsidiaries. Cinemark, Inc. may redeem all or part of the 9 3/4% senior discount notes on or after March 15, 2009.

Prior to 2008, Cinemark, Inc. repurchased on the open market a total of $110.8 million aggregate principal amount at maturity of its 9 3/4% senior discount notes for approximately $96.7 million, including accreted interest. Cinemark, Inc. funded these transactions with available cash from its operations and proceeds from our initial public offering.

During 2008, in ten open market purchases, Cinemark, Inc. repurchased $47.0 million aggregate principal amount at maturity of its 9 3/4% senior discount notes for approximately $42.2 million, including accreted interest. Cinemark, Inc. funded the transactions with proceeds from our initial public offering.

On June 15, 2009, Cinemark, Inc. commenced a cash tender offer for any and all of its 9 3/4% senior discount notes due 2014, of which $419.4 million aggregate principal amount at maturity remained outstanding. In connection with the tender offer, Cinemark, Inc. solicited consents to adopt proposed amendments to the indenture to eliminate substantially all restrictive covenants and certain events of default provisions. On June 29, 2009, approximately $402.5 million aggregate principal amount at maturity of the 9 3/4% senior discount notes were tendered and repurchased by us for approximately $433.4 million, including accrued interest of $11.3 million and tender premiums paid of $19.6 million. We funded the repurchase with the proceeds from the issuance of the Cinemark USA, Inc. 8.625% senior notes discussed below.

Effective as of June 29, 2009, Cinemark, Inc. and the Bank of New York Trust Company, N.A. as trustee to the indenture dated March 31, 2004, executed the First Supplemental Indenture to amend the Indenture by eliminating substantially all restrictive covenants and certain events of default provisions.

As of June 30, 2009, $16.9 million aggregate principal amount at maturity remained outstanding.

On August 3, 2009, we delivered to the Bank of New York Trust Company N.A., as trustee, a notice to redeem the $16.9 million aggregate principal amount at maturity of our 9 ¾% senior discount notes remaining outstanding. The notice specified September 6, 2009 as the redemption date. On the redemption date, we will pay a redemption price of 104.875% of the face amount of the discount notes remaining outstanding plus any accrued and unpaid interest to, but not including, the redemption date.

Cinemark USA, Inc. 8 5/8% Senior Notes

On June 29, 2009, Cinemark USA, Inc. issued $470.0 million aggregate principal amount of 8.625% senior notes due 2019 with an original issue discount of approximately $11.5 million, resulting in proceeds of approximately $458.5 million. The proceeds were primarily used to fund the repurchase of a majority of Cinemark, Inc. s 9 3/4% senior discount notes discussed above. Interest is payable on June 15 and December 15 of each year beginning on December 15, 2019.

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

The indenture to the 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. Upon a change of control of Cinemark Holdings, Inc., Cinemark, Inc. or Cinemark USA, Inc., Cinemark USA, Inc. would be required to make an offer to repurchase the senior notes at a price equal to 101% of the aggregate principal amount outstanding plus accrued and unpaid interest 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 senior notes allows Cinemark USA, Inc. to incur additional indebtedness if we satisfy 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 and our actual ratio as of June 30, 2009 was 5.8.

Prior to June 15, 2014, Cinemark USA, Inc. may redeem all or any part of the 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 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 senior notes from the net proceeds of certain equity offerings at the redemption price set forth in the senior notes.

We and our guarantor subsidiaries have agreed to file a registration statement with the Securities and Exchange Commission (the Commission) pursuant to which we will either offer to exchange the senior notes for substantially similar registered senior notes or register the resale of the senior notes, except that the exchanged registered senior notes will not contain terms with respect to transfer restrictions or provide for payment of additional interest as specified below. The registration rights agreement provides that (i) we will use our commercially reasonable best efforts to file an exchange offer registration statement with the Commission on or prior to 90 days after the closing of the senior notes offering, (ii) we will use our commercially reasonable best efforts to have the exchange offer registration statement declared effective by the Commission on or prior to 180 days after the closing of the senior notes offering, (iii) unless the exchange offer would not be permissible by applicable law or Commission policy, we will commence the exchange offer and use our commercially reasonable best efforts to issue on the earliest practicable date after the date on which the exchange offer registration statement was declared effective by the Commission, but not later than 30 days thereafter, exchange registered senior notes in exchange for all senior notes tendered prior thereto in the exchange offer and (iv) if obligated to file the shelf registration statement, we will use our 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 210 days after the closing of the senior notes offering) and to cause the shelf registration statement to be declared effective by the Commission on or prior to 180 days after such obligation arises. If applicable, we will use our commercially reasonable best efforts to keep the shelf registration statement effective for a period of two years after the closing of the senior notes offering, subject to certain exceptions.

If (a) we fail to file any of the registration statements required by the registration rights agreement on or before the date specified for such filing, (b) any of such registration statements is not declared effective by the Commission on or prior to the date specified for such effectiveness (the Effectiveness Target Date), (c) we fail to consummate the exchange offer within 30 business days of the effectiveness target date with respect to the exchange offer registration statement or (d) the shelf registration statement or the exchange offer registration statement is declared effective but thereafter ceases to be effective or usable in connection with resales of notes 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), we will pay additional interest to each holder of secured 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 senior notes will not accrue additional interest from and after the third anniversary of the closing of the senior notes offering even if we are not in compliance with our obligations under the registration rights agreement. The receipt of additional interest shall be the sole remedy available to holders of 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.

Senior Secured Credit Facility

On October 5, 2006, Cinemark USA, Inc., entered into a senior secured credit facility, which provided for a seven-year term loan of $1.12 billion and a $150.0 million revolving credit line that matures in six years.

At June 30, 2009, there was $1,089.2 million outstanding under the term loan and no borrowings outstanding under our revolving credit line. We had a minimum of approximately $121.5 million in available borrowing capacity under our revolving credit facility. The availability of our revolving credit facility may have recently been impacted by the insolvency of one of the lenders under the facility. As such, it is uncertain whether we could borrow the portion that would be funded by this insolvent lender, which is approximately $28.5 million. The average interest rate on outstanding term loan borrowings under the senior secured credit facility at June 30, 2009 was 3.2% per annum.

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

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

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

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

The senior secured credit facility also includes customary events of default, including, among other things, payment default, covenant default, breach of representation or warranty, bankruptcy, cross-default, material ERISA events, certain types of change of control, material money judgments and failure to maintain subsidiary guarantees. If an event of default occurs, all commitments under the senior secured credit facility may be terminated and all obligations under the senior secured credit facility could be accelerated by the lenders, causing all loans outstanding (including accrued interest and fees payable thereunder) to be declared immediately due and payable.

See discussion of interest rate swap agreements under Item 3. Quantitative and Qualitative Disclosures About Market Risk.

Cinemark USA, Inc. 9% Senior Subordinated Notes

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

Prior to 2008, Cinemark USA, Inc. repurchased a total of $359.8 million aggregate principal amount of its 9% senior subordinated notes. The transactions were funded by Cinemark USA, Inc. with proceeds from the NCM Transaction and available cash from operations. Cinemark USA, Inc. also executed a supplemental indenture removing substantially all of the restrictive covenants and certain events of default.

As of June 30, 2009, Cinemark USA, Inc. had outstanding approximately $0.2 million aggregate principal amount of 9% senior subordinated notes. Cinemark USA, Inc. may redeem the remaining 9% senior subordinated notes at its option at any time.

Seasonality

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

Item 3. Quantitative and Qualitative Disclosures About Market Risk

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

Interest Rate Risk

We are currently party to variable rate debt facilities. An increase or decrease in interest rates would affect interest costs relating to our variable rate debt facilities. At June 30, 2009, there was an aggregate of approximately $790.9 million of variable rate debt outstanding under these facilities. Based on the interest rate levels in effect on the variable rate debt outstanding at June 30, 2009, a 100 basis point increase in market interest rates would increase our annual interest expense by approximately $7.9 million.

During 2007 and 2008, we entered into three interest rate swap agreements. The interest rate swap agreements qualify for cash flow hedge accounting in accordance with SFAS No. 133. The fair values of the interest rate swaps are recorded on our consolidated balance sheet as a liability with the effective portion of the interest rate swaps gains or losses reported as a component of accumulated other comprehensive income (loss) and the ineffective portion reported in earnings.

In March 2007, we entered into two interest rate swap agreements with effective dates of August 13, 2007 and terms of five years each. The interest rate swaps were designated to hedge approximately $500.0 million of our variable rate debt obligations. Under the terms of the interest rate swap agreements, we pay fixed rates of 4.918% and 4.922% on $375.0 million and $125.0 million, respectively, of variable rate debt and receive interest at a variable rate based on the 3-month LIBOR. The 3-month LIBOR rate on each reset date determines the variable portion of the interest rate-swaps for the three-month period following the reset date. No premium or discount was incurred upon us entering into the interest rate swaps because the pay and receive rates on the interest rate swaps represented prevailing rates for each counterparty at the time the interest rate swaps were consummated.

On September 14, 2008, the counterparty to our $375.0 million interest rate swap agreement filed for bankruptcy protection. As a result, we determined that on September 15, 2008, when the counterparty s credit rating was downgraded, the interest rate swap was no longer highly effective. On October 1, 2008, we terminated this interest rate swap.

On October 3, 2008, we entered into one interest rate swap agreement with an effective date of November 14, 2008 and a term of four years. The interest rate swap was designated to hedge approximately $100.0 million of our variable rate debt obligations under our senior secured credit facility for three years and $75.0 million of our variable rate debt obligations under our senior secured credit facility for four years. Under the terms of the interest rate swap agreement, we pay a fixed rate of 3.63% on $175.0 million of variable rate debt and receive interest at a variable rate based on the 1-month LIBOR. The 1-month LIBOR rate on each reset date determines the variable portion of the interest rate swap for the one-month period following the reset date. No premium or discount was incurred by us upon entering into the interest rate swap because the pay and receive rates on the interest rate swap represented prevailing rates for the counterparty at the time the interest rate swap was consummated.

The tables below provide information about our fixed rate and variable rate long-term debt agreements as of June 30, 2009:

	Expected Maturity for the Twelve-Month Periods Ending June 30, (in millions)								Average Interest
	2010	2011	2012	2013	2014	Thereafter	Total	Fair Value	Rate
Fixed rate [1]	$	$	$	$ 37.0	$280.1	$470.0	$ 787.1	$ 776.8	7.6%
Variable rate	12.6	11.5	11.2	755.6			790.9	795.3	2.2%
Total debt	$12.6	$11.5	$11.2	$792.6	$280.1	$470.0	$1,578.0	$1,572.1	

(1) Includes $300.0 million

of the Cinemark USA, Inc. term loan, which represents the debt hedged with the Company s interest rate swap agreements.

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Foreign Currency Exchange Rate Risk

We are also exposed to market risk arising from changes in foreign currency exchange rates as a result of our international operations. Generally, we export from the U.S. certain of the equipment and construction interior finish items and other operating supplies used by our international subsidiaries. Principally all the revenues and operating expenses of our international subsidiaries are transacted in the country s local currency. Generally accepted accounting principles in the U.S. require that our subsidiaries use the currency of the primary economic environment in which they operate as their functional currency. If our subsidiaries operate in a highly inflationary economy, generally accepted accounting principles in the U.S. require that the U.S. dollar be used as the functional currency for the subsidiary. Currency fluctuations result in us reporting exchange gains (losses) or foreign currency translation adjustments relating to our international subsidiaries depending on the inflationary environment of the country in which we operate. Based upon our equity ownership in our international subsidiaries as of June 30, 2009, holding everything else constant, a 10% immediate, simultaneous, unfavorable change in all of the foreign currency exchange rates to which we are exposed would decrease the net book value of our investments in our international subsidiaries by approximately $35.1 million and would decrease the aggregate net income of our international subsidiaries by approximately $2.3 million.

Item 4. Controls and Procedures

Evaluation of the Effectiveness of Disclosure Controls and Procedures

As of June 30, 2009, we carried out an evaluation required by the Securities Exchange Act, as amended, or the Exchange Act, under the supervision and with the participation of our principal executive officer and principal financial officer, 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 June 30, 2009, our disclosure controls and procedures were effective to provide reasonable assurance that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in the SEC s rules and forms and were effective to provide reasonable assurance that such information is accumulated and communicated to our management, including our principal executive officer and principal financial officer, as appropriate to allow timely decisions regarding required disclosures.

Changes in Internal Controls 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 June 30, 2009 that materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

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PART II OTHER INFORMATION

Item 1. Legal Proceedings

Previously reported under Business Legal Proceedings in the Company s Annual Report on Form 10-K filed March 13, 2009.

Item 1A. Risk Factors

There have been no material changes from risk factors previously disclosed in Risk Factors in the Company s Annual Report on Form 10-K filed March 13, 2009.

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

(a) The Company held its annual meeting of stockholders for 2009 on May 13, 2009 or the Annual Meeting at the Cinemark Legacy Theatre located at 7201 Central Expressway, Plano, Texas 75025.

(b) The matters voted upon at the Annual Meeting were as follows:

i) Election of Class II directors.

ii) Approval and ratification of the appointment of the Company s independent registered public accounting firm Deloitte & Touche LLP for the fiscal year ending December 31, 2009.

The table set forth below states the number of votes cast for, against or withheld, as well as the number of abstentions and broker non-votes for each of the matters voted upon at the Annual Meeting.

Description of Matter	For	Against	Withheld	Abstentions	Broker Non-Votes
Election of Directors:					
Vahe A. Dombalagian	103,800,458		2,148,439		
Peter R. Ezersky	105,826,130		122,767		
Carlos M. Sepulveda	105,829,722		119,175		
Ratification of the appointment of the Company s independent, registered public accounting firm Deloitte & Touche LLP:	105,937,676	9,286		1,935	

Item 6. Exhibits

4.1	Exchange and Registration Rights Agreement dated as of June 29, 2009 among Cinemark USA, Inc., the Guarantors named therein and the Initial Purchasers named therein (incorporated by reference to Exhibit 4.2 to the Company s Current Report on Form 8-K, File No. 001-33401, filed July 6, 2009).
4.2(a)	Indenture dated as of June 29, 2009, among Cinemark USA, Inc., the Guarantors named therein and Wells Fargo Bank, N.A., as trustee governing the 8.625% Senior Notes due 2019 of Cinemark USA, Inc. issued thereunder (incorporated by reference to Exhibit 4.2 to the Company s Current Report on Form 8-K, File No. 001-33401, filed July 6, 2009).
4.2(b)	Form of 8.625% Senior Notes due 2019 of Cinemark USA, Inc. (contained in the Indenture listed as Exhibit 4.2(a) above) (incorporated by reference to Exhibit 4.3 to the Company s Current Report on Form 8-K, File No. 001-33401, filed July 6, 2009).
4.3(a)	Indenture dated as of March 31, 2004 between Cinemark, Inc. and The Bank of New York Mellon Trust Company, N.A. (formerly known as The Bank of New York Trust Company, N.A.) governing the 9.75% Senior Discount Notes issued thereunder (incorporated by reference to Exhibit 4.2(a) to Cinemark, Inc. s Registration Statement on Form S-4 (File No. 333-116292) filed June 8, 2004).
4.3(b)	First Supplemental Indenture dated as of June 29, 2009 between Cinemark, Inc., the subsidiary guarantors party thereto and The Bank of New York Mellon Trust Company, N.A. (formerly known as The Bank of New York Trust Company, N.A.) (incorporated by reference to Exhibit 4.1 to the Company s Current Report on Form 8-K, File No. 001-33401, filed June 30, 2009).
*10.1	Employment agreement, dated as of April 7, 2009, between Cinemark Holdings, Inc. and Steven Bunnell.
*31.1	Certification of Alan Stock, Chief Executive Officer, pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
*31.2	Certification of Robert Copple, Chief Financial Officer, pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
*32.1	Certification of Alan Stock, Chief Executive Officer, pursuant to 18 U.S.C. Section 1350, as added by Section 906 of the Sarbanes-Oxley Act of 2002.
*32.2	Certification of Robert Copple, Chief Financial Officer, pursuant to 18 U.S.C. Section 1350, as added by Section 906 of the Sarbanes-Oxley Act of 2002.

* filed herewith.

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SIGNATURES

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

CINEMARK HOLDINGS, INC.
Registrant

DATE: August 7, 2009

/s/Alan W. Stock
Alan W. Stock
Chief Executive Officer

/s/Robert Copple
Robert Copple
Chief Financial Officer

EXHIBIT INDEX

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