CINEMARK INC
Form 424B3
June 29, 2004

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Registration No. 333-116292

PROSPECTUS

Offer to Exchange

all outstanding 9 3/4% Senior Discount Notes due 2014 ($577,173,000 aggregate principal amount at maturity) for 9 3/4% Senior Discount Notes due 2014 which have been registered under the Securities Act of 1933

The exchange offer will expire at 5:00 p.m., New York City time, on July 28, 2004, unless we extend the offer. We do not currently intend to extend the exchange offer.

We are offering to exchange up to $577,173,000 aggregate principal amount at maturity of new 9 3/4% Senior Discount Notes due 2014, or exchange notes , which have been registered under the Securities Act of 1933, as amended, for an equal principal amount of our outstanding 9 3/4% Senior Discount Notes due 2014, or initial notes , issued in a private offering on March 31, 2004.

We will exchange all initial notes that are validly tendered and not validly withdrawn prior to the closing of the exchange offer for an equal principal amount at maturity of exchange notes that have been registered.

You may withdraw tenders of initial notes at any time prior to the expiration of the exchange offer.

The terms of the exchange notes to be issued are identical in all material respects to the initial notes, except for transfer restrictions and registration rights that do not apply to the exchange notes, and different administrative terms.

The exchange notes, together with any initial notes not exchanged in the exchange offer, will constitute a single class of debt securities under the indenture.

The exchange of notes will not be a taxable exchange for United States federal income tax purposes.

We will not receive any proceeds from the exchange offer.

No public market exists for the initial notes. We do not intend to list the exchange notes on any securities exchange and, therefore, no active public market is anticipated.

See Risk Factors beginning on page 16 for a discussion of factors that you should consider before tendering your initial notes.

Each broker-dealer that receives exchange notes for its own account pursuant to the exchange offer must acknowledge that it will deliver a prospectus in connection with any resale of these exchange notes. The letter of transmittal states that by so acknowledging and by delivering a prospectus, a broker-dealer will not be deemed to admit that it is an underwriter within the meaning of the Securities Act. This prospectus, as it may be amended or supplemented from time to time, may be used by a broker-dealer in connection with resales of exchange notes received in exchange for initial notes where such initial notes were acquired by such broker-dealer as a result of market-making activities or other trading activities. We have agreed that, for a period of 12 months after the consummation of the exchange offer, we will make this prospectus available to any broker-dealer for use in connection with any such resale. See Plan of Distribution.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the adequacy of this prospectus. Any representation to the contrary is a criminal offense.

The date of this prospectus is June 29, 2004.

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You should rely only upon the information contained and incorporated by reference in this document. We have not authorized any other person to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. We are not making an offer to exchange these securities in any jurisdiction where the offer or sale is not permitted. You should assume the information appearing in this document is accurate only as of the date on the front cover of this document. Our business, financial condition, results of operations and prospects may have changed since that date.

MARKET INFORMATION

Information regarding market share, market position and industry data pertaining to our business contained in this prospectus consists of estimates based on data and reports compiled by industry professional organizations (including the Motion Picture Association of America and the National Association of Theatre Owners), analysts and our knowledge of our revenues and markets.

We take responsibility for compiling and extracting, but have not independently verified, market and industry data provided by third parties, or by industry or general publications, and take no further responsibility for such data. Similarly, while we believe our internal estimates are reliable, our estimates have not been verified by any independent sources, and we cannot assure you as to their accuracy.

AVAILABLE INFORMATION

Cinemark, Inc. has not been subject to the informational requirements of the Exchange Act. However, Cinemark USA, Inc., our subsidiary, files Exchange Act reports with the SEC. Such reports should be available for inspection at the public reference room at the SEC s office located at 450 Fifth Street, N.W., Room 1024, Judiciary Plaza, Washington, D.C. 20549, United States. Copies may be obtained by mail, upon payment of the SEC s customary charges, by writing to its principal office at 450 Fifth Street, N.W., Room 1024, Judiciary Plaza, Washington, D.C. 20549, United States. Further information on the operations of the SEC s public reference room in Washington, D.C. can be obtained by calling the SEC at +1-800-732-0330. The SEC also maintains an Internet website that contains reports and other information about issuers who file reports with the SEC. The address of that website is http://www.sec.gov.

You may request a copy of each of our filings at the SEC, by writing or telephoning us at the following address, telephone or facsimile number:

3900 Dallas Parkway
Suite 500
Plano, TX 75093
Tel: (972) 665-1000
Fax: (972) 665-1004

Under the terms of the indenture, we have agreed that, whether or not we are required to do so by the rules and regulations of the SEC, after the exchange offer is completed and for so long as any of the notes remain outstanding, we will furnish to the trustee and the holders of the notes and, upon written request, to prospective investors, and file with the SEC (unless the SEC will not accept such a filing), (i) all quarterly and annual financial information that would be required to be contained in a filing with the SEC on Forms 10-Q and 10-K if we were required to file such reports, including a Management s Discussion and Analysis of Financial Condition and Results of Operations and, with respect to the annual information only, a report thereon by our certified independent accountants and (ii) all reports that would be required to be filed with the SEC on Form 8-K if we were required to file such reports, in each case within the time period specified in the rules and regulations of the SEC. In addition, for so long as any of the notes remain outstanding, we have agreed to make available to any holder of the notes or prospective purchaser of the notes, at their request, the information required by Rule 144A(d)(4) under the Securities Act.

This prospectus contains summaries of certain agreements that we have entered into such as the indenture, the exchange and registration rights agreement, and the agreements described under Summary The Transactions The Recapitalization , Description of Certain Debt Instruments and Certain Relationships and Related Party Transactions. The descriptions contained in this prospectus of these agreements do not purport to be complete and are subject to, or qualified in their entirety by reference to, the definitive agreements. Copies of the definitive agreements will be made available without charge to you by making a written or oral request to us. To obtain timely delivery of any of our filings, agreements and other documents, you must make your request to us no later than five business days before the expiration of the exchange offer. The exchange offer will expire at 5:00 pm, New York City time on July 28, 2004 unless we decide to extend the expiration date.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This prospectus includes forward-looking statements based on our current expectations, assumptions, estimates and projections about our business and our industry. Forward looking statements include statements concerning our plans, objectives, goals, strategies, future events, future revenues or performance, capital expenditures, financing needs and other information that is not historical information. Many of these statements appear, in particular, under headings Summary, Risk Factors, Management s Discussion and Analysis of Financial Condition and Results of Operations and Business. They include statements relating to:

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

You can identify forward-looking statements by the use of words such as may, should, will, could, estimates, predicts, potential, anticipates, believes, plans, expects, future and intends and similar expressions. These statements are not guarantees of future performanc are subject to risks, uncertainties and other factors, some of which are beyond our control and difficult to predict and could cause actual results to differ materially from those expressed or forecasted in the forward-looking statements. In evaluating these forward-looking statements, you should carefully consider the risks and uncertainties described in Risk Factors and elsewhere in this prospectus. These forward-looking statements reflect our view only as of the date of this prospectus. We do not undertake any obligation, other than as required by law, to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. All forward-looking statements attributable to us or persons acting on our behalf are expressly qualified in their entirety by the cautionary statements and risk factors contained throughout this prospectus.

PROSPECTUS SUMMARY

This summary contains basic information about us and the exchange offer. You should read this summary together with the entire prospectus, including the more detailed information in our consolidated financial statements and related notes and schedules appearing elsewhere in this prospectus. Except as otherwise indicated by the context, references in this prospectus to we, our, the issuer or Cinemark are to the combined business of Cinemark, Inc. and all of its consolidated subsidiaries, and references to North America are to the U.S. and Canada. Unless otherwise specified, all operating data is as of March 31, 2004. Unless otherwise specified, all statement of operations data included in this prospectus excludes the results of the Company s two United Kingdom theatres from continuing operations as these theatres were classified as held for sale at March 31, 2004.

Cinemark, Inc.

We are one of the leaders in the motion picture exhibition industry, in terms of both revenues and number of screens in operation. We were founded in 1987 by our Chairman and Chief Executive Officer, Lee Roy Mitchell, and have grown primarily through targeted worldwide new theatre development. As of March 31, 2004 we operated 3,175 screens in 297 theatres. For the year ended December 31, 2003, we had revenues of $950.9 million, operating income of $135.6 million and net income of $44.6 million. For the three months ended March 31, 2004, we had revenues of $235.1 million, operating income of $32.8 million and net income of $9.8 million.

Our geographic diversity within North America and internationally has allowed us to maintain consistent revenue growth. We have increased revenues by a compound annual growth rate of 7.5% from the beginning of 1999 through 2003. We operate 2,323 screens in 200 theatres in North America. These theatres, located in 33 states and one Canadian province, are primarily in mid-sized U.S. markets, including suburbs of major metropolitan areas. We believe these markets are less competitive and generate high, stable margins. We also operate 852 screens in 97 theatres outside of North America, primarily located in major Latin American metropolitan markets, which we believe are generally underscreened and have significant growth potential.

Competitive Strengths

We believe the following strengths allow us to compete effectively:

Significant Cash Flow. Our business strategy and disciplined building program allowed us to generate $135.6 million of operating income for the year ended December 31, 2003, which we utilized to reduce our leverage. During the year ended December 31, 2003, we reduced our long-term debt by $47.7 million (including the net unamortized premium of $13.6 million related to the senior subordinated notes of Cinemark USA, Inc.) and increased our cash and cash equivalents by $43.6 million. We generated $32.8 million of operating income for the three months ended March 31, 2004.

Focused Philosophy Resulting in Strong Financial Performance. We focus on negotiating favorable theatre facility economics, providing a superior viewing experience and controlling theatre operating costs. As a result of this philosophy, we generated $44.6 million of net income for the year ended December 31, 2003. We generated $9.8 million of net income for the three months ended March 31, 2004.

Strong Management Team. Led by Mr. Mitchell, our management team has an average of approximately 20 years of theatre operating experience and a proven track record of superior performance. The team has successfully navigated us through many industry cycles; between 1999 and 2001, we were one of only two major motion picture exhibitors in the U.S. that did not file for bankruptcy protection. Management s success during this period is largely a result of its financial discipline and focus on investment returns, as demonstrated by its decision to decrease its building commitments earlier than its competitors. Mr. Mitchell and the other members of our existing management team retained their current positions after the Recapitalization described in The Transactions The Recapitalization.

Selective Building in Less Competitive U.S. Markets and Heavily Populated International Markets.

Less Competitive U.S. Markets: We have historically built modern theatres in mid-sized U.S. markets, including suburbs of major metropolitan areas, which we believe were underserved. We believe our targeting of these markets, together with the high quality of our theatre circuit, has protected us from the negative financial impact of overbuilding and reduces the risk of competition from new entrants. As the sole exhibitor in approximately 85% of the first run film zones in which we operate, we have maximum access to film product. This enables us to select the films that we believe will deliver the highest returns in those markets.

Heavily Populated, High Growth International Markets: We have directed our activities in international markets primarily toward Latin America due to the growth potential in these under-screened markets. We have successfully established a significant presence in most of the major cities in Latin America with theatres in nine of the ten largest metropolitan areas. We have strategic alliances with local partners in many countries, which help us obtain additional market insight. We generally fund our operating and capital expenditures in local currencies, thereby matching our expenses with revenues. We have also geographically diversified our international portfolio in an effort to balance risk and become one of the predominant Pan American motion picture exhibition companies.

Modern Theatre Circuit. We have built our modern theatre circuit primarily through targeted worldwide new theatre development, which we believe provides a preferred destination for moviegoers in our markets. Since 1996, we have built 1,989 screens, or 63% of our total screen count. Our ratio of screens to theatres is one of the highest in the industry: 11.6 to 1 in North America and 8.8 to 1 internationally. Approximately 68% of our North American first run screens and 78% of our international screens feature stadium seating.

Our Strategy

We believe our operating philosophy provides us with a competitive advantage. We intend to continue to focus on the following key components of our business plan.

Focus on Less Competitive U.S. Markets and Target Profitable, High Growth International Markets. We will continue to seek growth opportunities in underserved, mid-sized U.S. markets and major international metropolitan areas by building or acquiring modern theatres that meet our strategic, financial and demographic criteria.

Maximize Profitability Through Continued Focus on Operational Excellence. We will continue to focus on executing our operating philosophy. We believe that our successful track record of executing this philosophy is evidenced by the fact that we successfully navigated through the significant industry downturn between 1999 and 2001, during which period at least twelve exhibitors filed for bankruptcy protection.

Pursue Additional Revenue Opportunities. We will continue to pursue additional growth opportunities by developing and expanding ancillary revenue streams such as advertising. We are able to offer advertisers national, regional or local coverage in a variety of formats to reach our patrons, which numbered approximately 173 million during the year ended December 31, 2003. We are also exploring additional revenue sources such as digital video monitor advertising, third party branding, and the use of theatres for non-film events. We have used theatres during non-peak hours for simulcast concerts, pay-per-view sporting events, corporate meetings and cultural events.

Our Industry

The U.S. motion picture exhibition industry has enjoyed revenue growth at a compound annual growth rate of 6.3% from 1993 to 2003, according to the Motion Picture Association of America. In 2002, single year U.S. motion picture box office revenues exceeded the $9.0 billion mark for the first time in history, reaching a total of $9.52 billion, a 13.2% increase from 2001, according to the Motion Picture Association of America. The 2003 box office, while down 0.3% from 2002, was the second highest in history and again exceeded the $9.0 billion mark with a total of $9.49 billion. The strong U.S. box office performance was primarily driven by an increase in attendance which increased nearly 27% between 1993 and 2003. Factors contributing to the continued success of the industry include a strong movie slate, the improvement of theatre circuits resulting from the creation of the modern multiplex format and the screen rationalization of 2000 and 2001. Three films released in 2003 grossed over $300 million, three other films grossed over $200 million and an additional 23 films grossed over $100 million in the U.S.

The international motion picture exhibition industry has also grown significantly over the past several years. Global box office revenues increased 28% from $15.9 billion in 2000 to $20.3 billion in 2003 according to the Motion Picture Association of America. This growth is a result of the increasing acceptance of moviegoing as a popular form of entertainment throughout the world, ticket price increases and new theatre construction. According to Informa Media Group, Latin America is the fastest growing region in the world in terms of box office revenues.

Drivers of Continued Industry Success

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

Increased Investment in Film Production and Marketing. Theatrical exhibition is the primary distribution channel for new motion picture releases. The success of a theatrical release, which brands a film, is one of the major factors in determining its success in downstream distribution channels, such as home video, DVD and network, syndicated and pay-per-view television. The growing importance of downstream distribution channels has enabled studios to increase production and marketing expenditures. Production and marketing costs per new film in the U.S. have increased by compound annual growth rates of 7.9% and 10.7%, respectively, from 1993 to 2003, according to the Motion Picture Association of America. This has led to an increase in blockbuster features, which attract larger audiences to theatres.

Increased Importance of International Markets for Ensuring Box Office Success. International markets are becoming an increasingly important component of the overall box office revenues generated by Hollywood films. For example, markets outside of North America accounted for greater than 60% of the global box office revenues for *The Last Samurai, The Matrix Revolutions, Finding Nemo* and *Lord of the Rings: The Return of the King.* With the continued growth of the international motion picture exhibition industry, the relative contribution of markets outside North America should become even more significant.

Favorable Attendance Trends. Increased movie going frequency and attendance from key demographic groups have benefited the industry. According to the Motion Picture Association of America, annual admissions per capita in the U.S. increased from 4.5x to 5.4x, between 1991 and 2003. Additionally, the U.S. teenage segment, defined as 12-17 year olds, represented 18% of admissions in 2003, up from 14% in 1997.

Reduced Seasonality of Revenues. The seasonality of motion picture exhibition has become less pronounced in recent years. Studios have begun to release films more evenly throughout the year, and hit films have emerged during traditionally weaker periods. This benefits exhibitors by allowing them to more effectively manage their operations.

Convenient and Affordable Form of Out-of-Home Entertainment. Movie going continues to be one of the most convenient and affordable forms of out-of-home entertainment, with an average ticket price in the U.S. of $6.03 in 2003. Average prices for other forms of out-of-home entertainment in the U.S., including sporting events, theme parks, musical concerts and plays, ranged from approximately $18.00 to $62.00 per ticket in 2002.

Additional Information

On May 16, 2002, Cinemark, Inc. was formed as the Delaware holding company of Cinemark USA, Inc. Our corporate headquarters is located at 3900 Dallas Parkway, Suite 500, Plano, Texas 75093. Our telephone number is (972) 665-1000. Our web site address is *www.cinemark.com.* The information on our web site does not constitute part of this prospectus.

The Transactions

The Recapitalization

On March 12, 2004, Popcorn Merger Corp., a Delaware corporation and newly formed subsidiary of Madison Dearborn Partners, LLC, entered into an agreement and plan of merger with Cinemark, Inc., or the merger agreement, pursuant to which Popcorn Merger Corp. merged with and into Cinemark, Inc. with Cinemark, Inc. continuing as the surviving corporation. The effective date of the merger was April 2, 2004. Simultaneously with the merger, an affiliate of Madison Dearborn Partners, LLC, which we refer to as the equity sponsor, purchased shares of common stock of Cinemark, Inc. for approximately $518.3 million in cash. Lee Roy Mitchell and The Mitchell Special Trust, whom we refer to as the Mitchell investors, and certain members of our management, whom we refer to as the management investors, which were stockholders of Cinemark, Inc. and others, received cash consideration in the merger pursuant to the merger agreement. In addition, the Mitchell investors and the management investors retained a portion of their holdings of shares of Cinemark, Inc. After the closing of the recapitalization and the related financing transactions described below, all of the capital stock of Cinemark, Inc. is owned by the equity sponsor, the Mitchell investors and the management investors. The equity sponsor is the controlling stockholder, with approximately 83% of our capital stock, and is initially entitled to elect 10 of the 12 members to our Board of Directors. We refer to the transactions consummated under the merger agreement as the Recapitalization.

The Related Financing Transactions

Concurrently with the closing of the Recapitalization, we entered into the following financing transactions, which we refer to, together with the Recapitalization and the offering of the initial notes, as the Transactions :

the gross proceeds from the sale of the initial notes, the net proceeds of which were used to fund in part the purchase of our common stock in connection with the Recapitalization;

the closing of Cinemark USA, Inc. s amended and restated senior secured credit facility, consisting of a $260.0 million term loan and a $100.0 million revolving credit facility, which we refer to collectively as the amended senior credit facility ;

the repayment of all outstanding amounts under Cinemark USA, Inc. s former senior secured credit facility, or the former senior credit facility, from a portion of the proceeds of the amended senior credit facility; and

the settlement of a tender offer and consent solicitation, or the tender offer, initiated by Cinemark USA, Inc. on March 16, 2004 for the $105.0 million aggregate principal amount outstanding of its 8 1/2% Series B Senior Subordinated Notes due 2008, or the 8 1/2% senior subordinated notes . Cinemark USA, Inc. redeemed approximately $94.2 million aggregate principal amount of the 8 1/2% senior subordinated notes that were tendered in the tender offer.

the settlement of a change of control offer initiated by Cinemark USA, Inc. on April 6, 2004 for the $360 million aggregate principal amount outstanding of its 9% Senior Subordinated Notes due 2013, or the 9% senior subordinated notes. Cinemark USA, Inc. repurchased approximately $17.8 million aggregate principal amount of the 9% senior subordinated notes that were tendered and not withdrawn in the change of control offer, which expired on May 26, 2004.

Sources and Uses of Funds

The following table illustrates the sources and uses of funds relating to the Transactions, assuming the Transactions had occurred on March 31, 2004.

Sources (dollars in millions)	
Amended senior credit facility(1):	
Revolving credit facility	$
Term loan facility	260.0
Senior discount notes	360.0
Existing debt(2)	367.1
Existing cash	35.3
Net equity from investors(3)	518.3
Total sources	$1,540.7
Payment to equity holders(4)	$ 840.7
Repay former senior credit facility(5)	163.8
Repurchase 8 1/2% senior subordinated notes of Cinemark USA, Inc.(6)	94.2
Repurchase 9% senior subordinated notes of Cinemark USA, Inc.(2)	17.8
Existing debt(2)	367.1
Fees and expenses(7)	57.1
Total uses	$1,540.7

(1) The amended senior credit facility consists of an amortizing seven-year term loan facility in aggregate principal amount of $260.0 million, and a six-and-a-half-year revolving credit facility in aggregate principal amount of $100.0 million, which was undrawn on the date of the closing of the Recapitalization. The effective interest rate on outstanding borrowings under the amended senior credit facility at the date of the Recapitalization was 5.3% per annum.

(2) Consists of $360.0 million in aggregate principal amount of 9% senior subordinated notes due 2013 of Cinemark USA, Inc., or the 9% senior subordinated notes, $10.8 million in aggregate principal amount of 8.5% senior subordinated notes due 2008 of Cinemark USA, Inc., $3.6 million of borrowings of Cinemark Brasil S.A., $7.2 million of borrowings of Cinemark Chile S.A. and $3.3 million of other long-term debt of our subsidiaries. In accordance with the terms of the indenture governing the 9% senior subordinated notes, Cinemark USA, Inc. made a change of control offer following the closing of the Transactions to repurchase the 9% senior subordinated notes at a purchase price of 101% of the aggregate principal amount, plus accrued and unpaid interest, if any, to the date of purchase. Approximately $17.8 million in aggregate principal amount of the 9% senior subordinated notes were tendered and not withdrawn in the change of control offer, which expired on May 26, 2004. Payment of the change of control offer price was made with available cash by Cinemark USA, Inc. on June 1, 2004.

(3) Excludes rollover equity of the Mitchell investors and the management investors of $106.7 million.

(4) The amount shown excludes the proceeds relating to the exercise of stock options in an aggregate amount of $8.1 million.

(5) The former senior credit facility consisted of a $75.0 million revolving credit facility and a $165.0 million term loan. The effective interest rate on outstanding borrowings under the former senior credit facility at March 31, 2004 was 5.5% per annum.

(6) Cinemark USA, Inc. redeemed approximately $94.2 million aggregate principal amount of the 8 1/2% senior subordinated notes that were tendered in the tender offer.

(7) Consists of fees and expenses related to the Transactions, including accrued interest, tender premiums and fees, legal, accounting and consulting fees, commissions related to the notes and fees payable to an affiliate of the equity sponsor at closing.

Corporate Structure

The following chart illustrates our corporate structure and principal indebtedness assuming that the Transactions had occurred as of March 31, 2004:

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(1) The amended senior credit facility consists of an amortizing seven-year term loan facility in aggregate principal amount of $260.0 million, and a six-and-a-half-year revolving credit facility in aggregate principal amount of $100.0 million, which was undrawn on the date of the closing of the Recapitalization. The effective interest rate on outstanding borrowings under the amended senior credit facility at the date of the Recapitalization was 5.3% per annum.

(2) In accordance with the terms of the indenture governing the 9% senior subordinated notes, Cinemark USA, Inc. made a change of control offer following the closing of the Transactions to repurchase the 9% senior subordinated notes at a purchase price of 101% of the aggregate principal amount, plus accrued and unpaid interest, if any, to the date of purchase. Approximately $17.8 million aggregate principal amount of the 9% senior subordinated notes were tendered and not withdrawn in the change of control offer, which expired on May 26, 2004. Payment of the change of control offer price was made with available cash by Cinemark USA, Inc. on June 1, 2004.

(3) Amount includes $3.6 million of borrowings of Cinemark Brasil S.A., $7.2 million of borrowings of Cinemark Chile S.A. and $3.3 million of other long-term debt of our subsidiaries as of March 31, 2004.

Equity Sponsor

Madison Dearborn Partners, LLC, or Madison Dearborn, is a leading private equity firm based in Chicago, Illinois. Madison Dearborn, through limited partnerships of which it is the general partner, has approximately $8 billion of capital under management. Madison Dearborn focuses on investments in several specific industry sectors, including basic industries, communications, consumer, financial services and health care. Madison Dearborn s objective is to invest in companies with strong competitive characteristics that it believes have the potential for significant long-term equity appreciation. To achieve this objective, Madison Dearborn seeks to partner with outstanding management teams who have a solid understanding of their businesses and track records of building shareholder value.

The Exchange Offer

Registration Rights Agreement	We issued the initial notes on March 31, 2004 to Lehman Brothers Inc., Goldman, Sachs & Co., Deutsche Bank Securities Inc., CIBC World Markets Corp. and BNY Capital Markets, Inc. These initial purchasers placed the initial notes with qualified institutional buyers and non-U.S. persons in transactions exempt from the registration requirements of the Securities Act and applicable state securities laws. In connection with these private placements, we entered into an exchange and registration rights agreement with the initial purchasers, which provide, among other things, for this exchange offer.
The Exchange Offer	We are offering exchange notes in exchange for an equal principal amount of initial notes. As of the date of this prospectus, there is $577,173,000 aggregate principal amount at maturity of initial notes outstanding. Initial notes may be tendered only in integral multiples of $1,000. You may exchange your initial notes only by following the procedures described elsewhere in this prospectus under The Exchange Offer Procedures for Tendering.
Resale of Exchange Notes	Based upon interpretive letters written by the Securities and Exchange Commission, we believe that the exchange notes issued in the exchange offer may be offered for resale, resold or otherwise transferred by you without compliance with the registration and prospectus delivery provisions of the Securities Act, provided that: You are acquiring the exchange notes in the ordinary course of your business; You are not participating, do not intend to participate and have no arrangement or understanding with any person to participate, in the distribution of the exchange notes; and You are not our affiliate , as that term is defined for the purposes of Rule 144A under the Securities Act. If any of the foregoing are not true and you transfer any exchange note without registering the exchange note and delivering a prospectus meeting the requirements of the Securities Act, or without an exemption from registration of your exchange notes from such requirements, you may incur liability under the Securities Act. We do not assume or indemnify you against such liability. Each broker-dealer that receives exchange notes for its own account in exchange for initial notes that were acquired by such broker-dealer as a result of market-making or other trading activities must acknowledge that it will deliver a prospectus meeting the requirements of the Securities Act in connection with any resale of the exchange notes. A broker-dealer may use this prospectus for an offer to resell, a resale or any other retransfer of the exchange notes.

Consequences of Failure to Exchange Initial Notes	Initial notes that are not tendered or that are tendered but not accepted, will, following the completion of the exchange offer, continue to be subject to existing restrictions upon transfer of the initial notes. The trading market for initial notes not exchanged in the exchange offer may be significantly more limited than at present. Therefore, if your initial notes are not tendered and accepted in the exchange offer, it may become more difficult for you to sell or transfer your unexchanged initial notes. Furthermore, you will no longer be able to compel us to register the initial notes under the Securities Act. In addition, you will not be able to offer or sell the initial notes unless they are registered under the Securities Act (and we will have no obligation to register them, except for some limited exceptions), or unless you offer or sell them under an exemption from the requirements of, or a transaction not subject to, the Securities Act.
Expiration of the Exchange Offer	The exchange offer will expire at 5:00 p.m., New York City time, on July 28, 2004 unless we decide to extend the expiration date.
Conditions to the Exchange Offer	The exchange offer is not subject to any condition other than certain customary conditions, which we may, but are not required to, waive. We currently anticipate that each of the conditions will be satisfied and that we will not need to waive any conditions. We reserve the right to terminate or amend the exchange offer at any time before the expiration date if any such condition occurs. For additional information regarding the conditions to the exchange offer, see The Exchange Offer Conditions to the Exchange Offer.
Procedures for Tendering Initial Notes	If you wish to accept the exchange offer, you must complete, sign and date the letter of transmittal, or a facsimile of the letter of transmittal, and transmit it together with all other documents required by the letter of transmittal (including the initial notes to be exchanged) to The Bank of New York Trust Company, N.A., as exchange agent, at the address set forth on the cover page of the letter of transmittal. In the alternative, you can tender your initial notes by following the procedures for book-entry transfer, as described in this prospectus. For more information on accepting the exchange offer and tendering your initial notes, see The Exchange Offer Procedures for Tendering and Book-Entry Transfer.
Guaranteed Delivery Procedures	If you wish to tender your initial notes and you cannot get your required documents to the exchange agent by the expiration date, you may tender your initial notes according to the guaranteed delivery procedure under the heading The Exchange Offer Guaranteed Delivery Procedures.
Special Procedure for Beneficial Holders	If you are a beneficial holder whose initial notes are registered in the name of a broker, dealer, commercial bank, trust company, or other nominee and you wish to tender your initial notes in the exchange offer, you should contact the registered holder promptly

	and instruct the registered holder to tender your initial notes on your behalf. If you are a beneficial holder and you wish to tender your initial notes on your own behalf, you must, prior to delivering the letter of transmittal and your initial notes to the exchange agent, either make appropriate arrangements to register ownership of your initial notes in your own name or obtain a properly completed bond power from the registered holder. The transfer of registered ownership may take considerable time.
Withdrawal Rights	You may withdraw the tender of your initial notes at any time prior to 5:00 p.m., New York City time, on the expiration date. To withdraw, you must send a written or facsimile transmission of your notice of withdrawal to the exchange agent at its address set forth in this prospectus under The Exchange Offer Withdrawal of Tenders by 5:00 p.m., New York City time, on the expiration date.
Acceptance of Initial Notes and Delivery of Exchange Notes	Subject to certain conditions, we will accept all initial notes that are properly tendered in the exchange offer and not withdrawn prior to 5:00 p.m., New York City time, on the expiration date. We will deliver the exchange notes promptly after the expiration date.
United States Federal Income Tax Considerations	We believe that the exchange of initial notes for exchange notes generally will not be a taxable exchange for federal income tax purposes, but you should consult your tax adviser about the tax consequences of this exchange. See Certain Federal Income Tax Consequences.
Exchange Agent	The Bank of New York Trust Company, N.A., the trustee under the indenture for the initial notes, is serving as exchange agent in connection with the exchange offer. The mailing address of the exchange agent is The Bank of New York Trust Company, N.A., 101 Barclay Street 7 East, New York, NY 10286, Attention: Kin Lau.
Fees and Expenses	We will bear all expenses related to consummating the exchange offer and complying with the exchange and registration rights agreement.
Use of Proceeds	We will not receive any cash proceeds from the issuance of the exchange notes. We received gross proceeds of approximately $360.0 million from the sale of the initial notes. We used the net proceeds from the sale of the initial notes to fund in part the purchase of our common stock in connection with the Recapitalization.

Summary Description of Exchange Notes

The terms of the exchange notes are identical in all material respects to those of the initial notes, except for transfer restrictions and registration rights that do not apply to the exchange notes. The exchange notes will evidence the same debt as the initial notes, and the same indenture will govern the exchange notes as the initial notes. The summary below describes the principal terms of the exchange notes. Certain of the terms and conditions described below are subject to important limitations and exceptions. The Description of Exchange Notes section of this prospectus contains a more detailed description of the terms and conditions of the exchange notes.

Issuer	Cinemark, Inc.
Notes Offered	$577,173,000 in aggregate principal amount at maturity of 9 3/4% Senior Discount Notes due 2014 which have been registered under the Securities Act of 1933.
Maturity Date	March 15, 2014
Yield and Interest Payment Dates	Interest will accrete at a rate of 9 3/4% per annum, to an aggregate principal amount at maturity of $577,173,000 until March 15, 2009. Cash interest will not accrue on the exchange notes prior to March 15, 2009. Thereafter, cash interest will accrue on the exchange notes and will be payable on March 15 and September 15 of each year, beginning on September 15, 2009.
Ranking	The exchange notes will be our unsecured senior obligations. Accordingly, they will rank: equal in right of payment to our existing and future senior indebtedness; senior in right of payment to any of our future subordinated indebtedness; effectively junior to our secured indebtedness up to the value of the collateral securing that indebtedness; effectively junior to our indebtedness that has been guaranteed by subsidiaries with respect to the assets and earnings of those subsidiaries; and effectively junior to all existing and future indebtedness and other liabilities, including trade payables, of all of our subsidiaries with respect to the assets and earnings of those subsidiaries. As of March 31, 2004, after giving effect to the Transactions, we (excluding our subsidiaries) would have had total senior indebtedness of approximately $360.0 million (excluding our guarantee of the amended senior credit facility) and no subordinated indebtedness. As of March 31, 2004, on the same basis, our subsidiaries would have had $802.9 million of indebtedness and other liabilities, including trade payables, and the exchange notes would have been effectively subordinated to such indebtedness and other liabilities.
Optional Redemption	On or after March 15, 2009, we may redeem some or all of the exchange notes at the redemption prices set forth under Description of Exchange Notes Optional Redemption.

At any time prior to March 15, 2007, we may redeem up to 35% of the exchange notes with the proceeds of certain equity offerings at the redemption prices set forth under Description of Exchange Notes Optional Redemption.

Mandatory Offer to Repurchase

If we experience specific kinds of changes in control, we must offer to repurchase the exchange notes at the redemption prices set forth under Description of Exchange Notes Repurchase at the Option of Holders.

Covenants

The exchange notes will be issued under an indenture among us and The Bank of New York Trust Company, N.A., as trustee. The indenture, among other things, restricts our ability and the ability of our restricted subsidiaries, as defined in the indenture, to:

- make investments;
- incur or guarantee additional indebtedness;
- pay dividends or make other distributions on capital stock or redeem or repurchase capital stock;
- create liens;
- incur dividend or other payment restrictions affecting subsidiaries;
- sell assets;
- merge or consolidate with other entities;
- enter into transactions with affiliates; and
- engage in certain business activities.

These covenants are subject to a number of important exceptions and qualifications.

For a discussion of certain risks that should be considered in connection with an investment in the exchange notes, see Risk Factors beginning on page 16.

Summary Consolidated Financial and Operating Information

The following table provides our summary historical and unaudited pro forma condensed consolidated financial data as of and for the periods ended at the dates indicated below. Our historical financial data for each of the years ended December 31, 2001, 2002 and 2003 is derived from our consolidated audited financial statements appearing elsewhere in this prospectus. Our historical financial data for the three months ended March 31, 2003 and 2004 is derived from our unaudited interim financial statements which, in the opinion of management, contain all adjustments necessary for a fair presentation of this information. The historical financial data for the three months ended March 31, 2004 is not necessarily indicative of the results expected for the full year. Certain reclassifications have been made to the 2001, 2002 and 2003 financial statements to conform to the 2004 presentation. Our unaudited pro forma statement of operations data and other financial data for the year ended December 31, 2003 and for three months ended March 31, 2004 give effect to the Transactions as if they had been consummated on January 1, 2003. Our unaudited pro forma balance sheet data as of March 31, 2004 gives effect to the Transactions as if they had been consummated on March 31, 2004. For the pro forma financial statements and a more detailed discussion of the pro forma adjustments, see Unaudited Pro Forma Condensed Consolidated Financial Information.

The unaudited pro forma consolidated financial information should not be considered indicative of actual results that would have been achieved had the Transactions been consummated on the date or for the periods indicated and do not purport to indicate consolidated balance sheet data or statement of operations data or other financial data as of any future date or for any future period.

You should read the summary historical and unaudited pro forma condensed consolidated financial data set forth below in conjunction with the information contained in The Transactions, Selected Historical Consolidated Financial Information, Management s Discussion and Analysis of Financial Condition and Results of Operations and with our consolidated financial statements and related notes thereto appearing elsewhere in this prospectus.

	Year Ended December 31,			Pro Forma Year Ended December 31,	Three Months Ended March 31,		Pro Forma Three Months Ended March 31,
	2001	2002	2003	2003(4)	2003	2004	2004(4)
					(Unaudited)		
				(In thousands, except for ratios)			
Statement of Operations Data (Consolidated)(1):							
Revenues	$853,658	$935,854	$950,872	$950,872	$202,473	$235,112	$235,112
Theatre operating costs	531,967	570,947	582,574	582,574	124,062	141,982	141,982
Facility lease expense	114,737	115,588	119,517	119,517	28,451	31,088	31,088
General and administrative expenses	42,597	47,953	44,285	44,285	9,443	11,869	11,869
Depreciation and amortization	73,079	66,583	65,085	65,085	15,996	16,889	16,889
Asset impairment loss	20,723	3,869	5,049	5,049		1,000	1,000
(Gain) loss on sale of assets and other	12,408	470	(1,202)	(1,202)	(616)	(513)	(513)
Total expenses	795,511	805,410	815,308	815,308	177,336	202,315	202,315
Operating income	58,147	130,444	135,564	135,564	25,137	32,797	32,797
Interest expense(2)	70,931	57,793	54,163	85,365	13,879	12,562	20,459
Income (loss) from continuing operations before cumulative effect of an accounting change	(3,462)	40,516	47,589	27,183	5,765	11,535	6,860
Loss from discontinued operations	(559)	(1,651)	(2,939)		(315)	(1,763)	
Net income (loss)(3)	$ (4,021)	$ 35,476	$ 44,650		$ 5,450	$ 9,772	

	Year Ended December 31,			Pro Forma Year Ended December 31,	Three Months Ended March 31,		Pro Forma Three Months Ended March 31,
	2001	2002	2003	2003	2003	2004	2004(4)
					(Unaudited)		
	(In thousands, except for ratios)						
Other Financial Data(1):							