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We will exchange all initial notes that are validly tendered and not validly withdrawn prior to the closing of the exchange offer for an equal principal amount at maturity of exchange notes that have been registered.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):							
Cash flow from (used for):							
Operating activities	$ 87,117	$150,119	$135,522		$(15,649)	$ 10,004	
Investing activities	(33,799)	(34,750)	(47,151)		(7,116)	(16,210)	
Financing activities	(21,508)	(96,140)	(45,738)		1,545	347,079	
Capital expenditures	40,352	38,032	51,002		8,603	17,850	
Ratio of earnings to fixed charges(5)		1.7x	1.8x	1.3x	1.4x	1.9x	1.4x

	Year Ended December 31,			As of March 31, 2004	Pro Forma as of March 31, 2004(4)
	2001	2002	2003		
				(Unaudited)	
	(In thousands)				
Balance Sheet Data (Consolidated):					
Cash and cash equivalents	$ 50,199	$ 63,719	$107,322	$ 448,150	$ 52,897
Theatre properties and equipment net	866,406	791,731	775,880	773,285	773,285
Total assets	996,544	916,814	960,736	1,309,883	927,576
Total long-term debt, including current portion	780,956	692,587	658,431	1,016,297	1,001,008
Stockholders equity (deficiency)	25,337	27,664	76,947	86,869	(253,242)

	Year Ended December 31,			Three Months Ended March 31,	
	2001	2002	2003	2003	2004
	(Unaudited) (In thousands, except theatres and screen data)				
Operating Data(1):					
North America(6)(8)					
Theatres operated (at period end)	188	188	189	186	200
Screens operated (at period end)	2,217	2,215	2,244	2,206	2,323
Total attendance	100,022	111,959	112,581	24,264	26,323
International(7)					
Theatres operated (at period end)	88	92	97	92	97
Screens operated (at period end)	783	816	852	818	852
Total attendance	53,853	60,109	60,553	13,727	15,791
Worldwide(6)(7)(8)					
Theatres operated (at period end)	276	280	286	278	297
Screens operated (at period end)	3,000	3,031	3,096	3,024	3,175
Total attendance	153,875	172,068	173,134	37,991	42,114

(1) Statement of operations data and attendance data exclude the results of our two United Kingdom theatres for all periods presented, as these theatres were classified as held for sale at March 31, 2004. The results of operations for these two theatres are presented as discontinued operations.

(2) Interest expense includes amortization of debt issue cost and excludes capitalized interest for all periods presented.

(3) In 2002, a cumulative effect of a change in accounting principle charge of $3.4 million (net of tax benefit) was recorded as a transitional impairment adjustment in connection with the adoption of Statement of Financial Accounting Standards No. 142 requiring that goodwill and other intangible assets with indefinite useful lives no longer be amortized, but instead be tested for impairment at least annually.

(4) As adjusted to give effect to the Transactions.

(5) For the purposes of calculating the ratio of earnings to fixed charges, earnings consist of income (loss) before taxes and cumulative effect of an accounting change plus fixed charges excluding capitalized interest. Fixed charges consist of interest expense, capitalized interest, amortization of debt issue cost and debt discount and that portion of rental expense which we believe to be representative of the interest factor. For the year ended December 31, 2001, earnings were insufficient to cover fixed charges by $17.9 million.

(6) The data excludes certain theatres operated by us in North America pursuant to management agreements that are not part of our consolidated operations.

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

(8) The data for 2003 excludes theatres, screens and attendance for the eight theatres with 46 screens in the United States we acquired on December 31, 2003, because the results of operations for these theatres are not included in our 2003 consolidated results of operations.

RISK FACTORS

Before you invest in the exchange notes, you should understand the high degree of risk involved. You should consider carefully the following risks and other information in this prospectus, including our financial statements and related notes and schedules, before you decide to exchange the initial notes for any of the exchange notes. The following risks and uncertainties are not the only ones we face. If any of the following risks actually occur, our business, financial condition and operating results could be adversely affected. As a result, the trading price of our exchange notes could decline, perhaps significantly, and our ability to pay principal and interest on the exchange notes could be adversely affected.

Risks Related to the Exchange Notes and this Exchange Offer

Your failure to participate in the exchange offer will have adverse consequences.

If you do not exchange your initial notes for exchange notes pursuant to the exchange offer, you will continue to be subject to the restrictions on transfer of your initial notes, as set forth in the legend on your initial notes. The restrictions on transfer of your initial notes arise because we sold the initial notes in private offerings. In general, the initial notes may not be offered or sold, unless registered under the Securities Act or pursuant to an exemption from, or in a transaction not subject to, such requirements. We do not intend to register the initial notes under the Securities Act.

After completion of the exchange offer, holders of initial notes who do not tender their initial notes in the exchange offer will no longer be entitled to any exchange or registration rights under the registration rights agreement, except under limited circumstances.

If you exchange your initial notes in the exchange offer for the purpose of participating in a distribution of the exchange notes, you may be deemed to have received restricted securities and, if so, will be required to comply with the registration and prospectus delivery requirements of the Securities Act in connection with any resale transaction. To the extent the initial notes are tendered and accepted in the exchange offer, the trading market, if any, for the initial notes would be adversely affected. See The Exchange Offer.

We are the sole obligor of the exchange notes, and our subsidiaries do not guarantee our obligations under the exchange notes and do not have any obligation with respect to the exchange notes.

Cinemark, Inc. is a holding company with no business operations or assets other than the capital stock of CNMK Holding, Inc., which itself is a holding company with no operations or assets of its own other than the capital stock of Cinemark USA, Inc. Operations are conducted through Cinemark USA, Inc. and its subsidiaries. Consequently, we will be dependent on loans, dividends and other payments from Cinemark USA, Inc. and its subsidiaries to make payments of principal and interest on the exchange notes. However, our subsidiaries are separate and distinct legal entities, and they will have no obligation, contingent or otherwise, to pay the amounts due under the exchange notes or to make any funds available to pay those amounts, whether by dividend, distribution, loan or other payments. You will not have any direct claim on the cash flows or assets of our subsidiaries.

The ability of our subsidiaries to make dividends and other payments to us will depend on their cash flows and earnings which, in turn, will be affected by all of the factors discussed in these Risk Factors. The ability of our subsidiaries to make distributions to us may be restricted by, among other things, applicable laws and regulations and by the terms of agreements into which they enter. If we are unable to obtain funds from our subsidiaries as a result of restrictions under their debt or other agreements, applicable laws and regulations or otherwise, we may not be able to pay interest or principal on the exchange notes when due. The terms of the amended senior credit facility significantly restrict Cinemark USA, Inc. from paying dividends and otherwise transferring assets to CNMK Holding, Inc. and Cinemark, Inc., except for taxes and ordinary course corporate operating expenses and accounting services. The terms of the indenture governing the 9% senior subordinated notes significantly restrict Cinemark USA, Inc. and its other subsidiaries from paying dividends and otherwise transferring assets to us. The terms of the agreements governing indebtedness of our other subsidiaries also restrict such subsidiaries from paying dividends or otherwise transferring assets to us. We cannot assure you that the agreements governing the current and future indebtedness of our subsidiaries will permit our subsidiaries to provide us with sufficient dividends, distributions or loans to fund cash interest payments on the exchange notes when scheduled to begin on September 15, 2009.

We currently anticipate that, in order to pay the principal amount at maturity of the exchange notes or to repurchase the exchange notes upon a change of control as defined in the indenture governing the exchange notes, we will be required to adopt one or more alternatives, such as refinancing all of our indebtedness, selling our equity securities or the equity securities or assets of Cinemark USA, Inc. or seeking capital contributions or loans from our affiliates. None of our affiliates is required to make any capital contributions, loans or other payments to us with respect to our obligations on the exchange notes. There can be no assurance that any of the foregoing actions could be effected on satisfactory terms, if at all, or that any of the foregoing actions would enable us to refinance our indebtedness or pay the principal amount of the exchange notes or that any of such actions would be permitted by the terms of any debt instruments of us or our subsidiaries then in effect.

The exchange notes are structurally subordinated to all of the debt and liabilities of our subsidiaries, and will be effectively subordinated to any of our secured debt.

Generally, claims of creditors of a subsidiary, including trade creditors, will have priority with respect to the assets and earnings of the subsidiary over the claims of creditors of its parent company. Your rights under the exchange notes offered hereby, therefore, will be structurally subordinated to those of the creditors of our subsidiaries. In the event of bankruptcy or insolvency, you may receive less, ratably, than holders of debt and other liabilities of our subsidiaries, including, in all likelihood, the claims of the holders of Cinemark USA, Inc. s 9% senior subordinated notes and the lenders under the amended senior credit facility. As of March 31, 2004, after giving effect to the Transactions, 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.

In addition, holders of the secured debt of Cinemark, Inc. will have claims that are prior to your claims as a holder of the exchange notes, to the extent of the value of the assets securing that debt. We guaranteed the obligations of Cinemark USA, Inc. under its amended senior credit facility and secured our guarantee with substantially all of our assets, including the stock of CNMK Holding, Inc. In addition, the amended senior credit facility is secured, subject to certain exceptions, by mortgages on a large percentage of the assets of Cinemark USA, Inc. and its subsidiaries. If we become insolvent or are liquidated, or if payment under the amended senior credit facility is not made, the lenders would be entitled to exercise the remedies available to a secured lender. Accordingly, these lenders have a secured claim against the mortgaged assets of Cinemark USA, Inc. and have priority with respect to those assets over any other claim for payment, including any claim of Cinemark, Inc. for amounts invested in Cinemark USA, Inc. In such event, it is possible that there would be no assets remaining after payment to these lenders from which claims to the holders of the exchange notes could be satisfied.

Our substantial lease and debt obligations could impair our liquidity and financial condition.

We have significant debt service obligations. For the year ended December 31, 2003, our facility lease expense and interest expense were $119.5 million and $51.9 million, respectively. As of March 31, 2004, assuming the Transactions had occurred as of that date, our total debt would have been $1,001.0 million. For the year ended December 31, 2003 and the three months ended March 31, 2004, assuming the Transactions had occurred as of January 1, 2003, our ratio of earnings to fixed charges would have been 1.3x and 1.4x, respectively. Additionally, we would have had $100.0 million available under the amended senior credit facility, subject to our compliance with maintenance covenants and other conditions. You should read the discussions under the headings Capitalization and Unaudited Pro Forma Condensed Consolidated Financial Information for further information about our substantial indebtedness.

Our substantial lease and debt obligations pose risk to you by:

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

Subject to the restrictions contained in our indebtedness agreements, we expect to incur additional indebtedness from time to time to finance acquisitions, capital expenditures, working capital requirements and other general business purposes. In addition, we may need to refinance all or a portion of our indebtedness, including the exchange notes, on or before maturity. However, we may not be able to refinance all or any of our indebtedness, including the exchange notes, on commercially reasonable terms or at all.

Our subsidiaries may not be able to generate sufficient cash to service all of their indebtedness and may be forced to take other actions to satisfy their obligations under such indebtedness, which may not be successful.

Our subsidiaries ability to make scheduled payments on or to refinance their debt obligations depends on our subsidiaries financial condition and operating performance, which is subject to prevailing economic and competitive conditions and to certain financial, business and other factors beyond their or our control. We cannot assure you that our subsidiaries will maintain a level of cash flows from operating activities sufficient to permit them to pay the principal, premium, if any, and interest on their indebtedness. If our subsidiaries cash flows and capital resources are insufficient to fund their debt service obligations, our subsidiaries may be forced to reduce or delay capital expenditures, sell assets, seek additional capital or restructure or refinance their indebtedness. These alternative measures may not be successful and may not permit our subsidiaries to meet their scheduled debt service obligations. In the absence of such operating results and resources, they could face substantial liquidity problems and might be required to dispose of material assets or operations to meet their debt service and other obligations. The amended senior credit facility, the indenture governing Cinemark USA, Inc. s 9% senior subordinated notes and the indenture governing the exchange notes offered hereby significantly restrict our subsidiaries ability to dispose of assets and use the proceeds from the disposition. Our subsidiaries may not be able to consummate those dispositions or to obtain the proceeds which could be realized from them and these proceeds may not be adequate to meet any debt service obligations then due.

If our subsidiaries default on their obligations to pay their indebtedness, we may not be able to make payments on the exchange notes.

If our subsidiaries are unable to generate sufficient cash flow and are otherwise unable to obtain funds necessary to meet required payments of principal, premium, if any, and interest on their indebtedness, or if they otherwise fail to comply with the various covenants, including financial and operating covenants, in the instruments governing their indebtedness, we or they would be in default under the terms of such indebtedness. In the event of such default, the holders of such indebtedness could elect to declare all the funds borrowed thereunder to be due and payable, together with accrued and unpaid interest, the lenders under the amended senior credit facility could elect to terminate their commitments thereunder, cease making further loans and institute foreclosure proceedings against our assets, and we could be forced into bankruptcy or liquidation. Any of the foregoing could prevent us from paying principal, premium, if any, and interest on the exchange notes and substantially decrease the market value of the exchange notes.

Despite our current leverage, we may still be able to incur substantially more debt. This could further exacerbate the risks that we and our subsidiaries face.

We and our subsidiaries may be able to incur substantial additional indebtedness in the future. The terms of the indenture governing the exchange notes offered hereby and the indenture governing Cinemark USA, Inc. s 9% senior subordinated notes do not fully prohibit us or our subsidiaries from incurring additional debt. Cinemark USA, Inc. s amended senior credit facility provides commitments of up to $360.0 million, $100.0 million of which is available for future borrowings. All of those borrowings would be secured, and as a result, would be effectively senior to the exchange notes and further, because they represent debt of one of our subsidiaries, the borrowings would be structurally senior to the exchange notes. If we incur any additional indebtedness that ranks equally with the notes, the holders of that debt will be entitled to share ratably with the holders of the exchange notes in any proceeds distributed in connection with any insolvency, liquidation, reorganization, dissolution or other winding-up of us. This may have the effect of reducing the amount of proceeds paid to you. If new debt is added to our current debt levels, the related risks that we and our subsidiaries now face could intensify.

Restrictive covenants in our and our subsidiaries debt agreements may adversely affect us.

The exchange notes indenture, the indenture governing Cinemark USA, Inc. s 9% senior subordinated notes and the amended senior credit facility contain financial and other restricted covenants that limit our ability to engage in activities that may be in our long-term best interests. For example, these covenants significantly restrict our ability to:

- borrow money;
- pay dividends or make other distributions;
- make other restricted payments and investments;
- create liens;
- incur dividend or other payment restrictions affecting subsidiaries;
- sell assets;
- merge or consolidate with other entities;
- engage in certain business activities; and
- enter into transactions with affiliates.

These covenants are subject to a number of important exceptions and qualifications. These restrictions could affect our ability to operate our business and may limit our ability to take advantage of potential business opportunities. In addition, the amended senior credit facility requires Cinemark USA, Inc. to comply with certain financial covenants. You should read the discussions under the headings Description of Certain Debt Instruments Amended Senior Credit Facility and Description of Certain Debt Instruments 9% Senior Subordinated Notes for further information about these covenants. Events beyond our control can affect Cinemark USA, Inc. s ability to comply with these covenants. Its failure to comply with these covenants could result in an event of default which, if not cured or waived, could result in the acceleration of all of our debts. If an event of default occurs, we cannot assure you that we would have sufficient assets to repay all of our obligations.

Under fraudulent conveyance laws, a court could void obligations under the exchange notes.

Under the federal bankruptcy laws and comparable provisions of state fraudulent conveyance laws, a court could void obligations under the exchange notes, subordinate those obligations to more junior obligations or require holders of the exchange notes to repay any payments made under the exchange notes if an unpaid creditor or representative of creditors, such as a trustee in bankruptcy or our company as a debtorin-possession, claims that the exchange notes constituted a fraudulent conveyance. For this claim to succeed, the claimant must generally show that:

(1) fair consideration or reasonably equivalent value was not received in exchange for the obligation; and

(2) at the time the obligation was incurred, the obligor:

was insolvent;

was rendered insolvent by reason of the obligation;

was engaged in a business or transaction for which its remaining assets constituted unreasonably small capital; or

intended to incur, or believed that it would incur, debts beyond its ability to pay them as the debts matured.

The measure of insolvency for these purposes will depend upon the law of the jurisdiction being applied. Generally, however, an obligor will be considered insolvent for these purposes if:

the sum of its debts, including contingent liabilities, was greater than the salable value of all of its assets at a fair valuation;

the present fair salable value of its assets was less than the amount that would be required to pay its probable liability on its existing debts, including contingent liabilities, as they become absolute and mature; or

it could not pay its debts as they become due.

Moreover, regardless of solvency, a court could void an incurrence of indebtedness, including under the amended senior credit facility or the exchange notes if it is determined that the transaction was made with the intent to hinder, delay or defraud our creditors.

On the basis of historical financial information, recent operating history and other factors, we believe that, after the Recapitalization, the Transactions and the use of proceeds therefrom, we are not insolvent, do not have unreasonably small capital for the business in which we are engaged and have not incurred debts beyond our ability to pay our debts as they mature. However, we cannot assure you as to what standard a court would apply in making these determinations or that a court would agree with our conclusions in this regard.

We may not be permitted or have the ability to purchase the exchange notes upon a change of control as required by the indenture.

Upon the occurrence of specific kinds of change of control events, we will be required to offer to repurchase all the exchange notes, and Cinemark USA, Inc. will be required to offer to purchase all the 9% senior subordinated notes that are outstanding, at 101% of their principal amount. We may not be able to repurchase the exchange notes upon a change of control because we or our subsidiaries may not have sufficient funds. Our failure to repurchase the exchange notes or Cinemark USA, Inc. s failure to repurchase the 9% senior subordinated notes upon a change of control would cause a default under the respective indentures. Cinemark USA, Inc. s amended senior credit facility also provides that a change of control (as defined therein) will be a default that permits lenders to accelerate the maturity of borrowings under the amended senior credit facility. We may enter into debt agreements containing similar provisions in the future.

An active trading market may not develop for the exchange notes, and securities laws will restrict your ability to transfer the exchange notes.

The exchange notes will be a new issue of debt securities of the same class as the initial notes and will generally be freely transferrable. However, we do not intend to have the exchange notes listed on a national securities exchange, although we expect that the exchange notes will be eligible for trading in PORTAL. In addition, although the initial purchasers of the initial notes have advised us that they currently intend to make a market in the initial notes and the exchange notes, they are not obligated to do so and may discontinue market making activities at any time without notice. While an application to have the exchange notes accepted for trading in PORTAL will be made, there can be no assurance that an active trading market for the exchange notes will develop on PORTAL or elsewhere or, if a trading market develops, that it will continue. The lack of an active trading market may have a material adverse effect on the market price and liquidity of the exchange notes. If a market for the exchange notes develops, the exchange notes may trade at a discount from their initial offering price, depending on many factors, including (1) our financial performance or prospects, (2) the prospects for other companies in our industry, (3) prevailing interest rates, (4) the market for similar securities and (5) general economic conditions. Historically, the market for non-investment grade securities, such as the notes, has been subject to disruptions that have caused volatility in the prices of these securities. The market for the notes may be subject to similar disruptions.

You will be required to pay U.S. federal income tax on accrual of original issue discount on the exchange notes even if we do not pay cash interest.

The initial notes were issued at a substantial discount from their principal amount at maturity. Although cash interest will not accrue on the exchange notes prior to March 15, 2009, and there will be no periodic payments of cash interest on the exchange notes prior to September 15, 2009, original issue discount (the excess of the stated redemption price at maturity over the issue price of the notes) will accrete from the issue date of the initial notes. Consequently, purchasers of the exchange notes generally will be required to include amounts in gross income for U.S. federal income tax purposes in advance of their receipt of the cash payments to which the income is attributable. See Important Federal Income Tax Considerations.

Risks Related to Our Business and Industry

Poor motion picture production or performance could have a material adverse effect on our business.

Our business is dependent both upon the availability of suitable motion pictures for exhibition in our theatres and the performance of such pictures in our markets. Poor performance of films or disruption in the production of motion pictures by, or a reduction in the marketing efforts of, the major studios and/or independent producers could have a material adverse effect on our business.

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

We rely on the film distributors for the motion pictures shown in our theatres. The film distribution business is highly concentrated, with ten major film distributors accounting for approximately 92% of U.S. box office revenues and 49 of the top 50 grossing films during 2003. Numerous antitrust cases and consent decrees resulting from these cases impact the distribution of motion pictures. The consent decrees bind certain major film distributors to license films to exhibitors on a theatre-by-theatre and film-by-film basis. Consequently, we cannot guarantee a supply of films by entering into long-term arrangements with major distributors. We are therefore required to negotiate licenses for each film and for each theatre. We cannot assure you that we will be able to negotiate favorable licensing terms for all first-run film. A deterioration in our relationship with any of the ten major film distributors could adversely affect our ability to negotiate film licenses and our ability to obtain commercially successful films and, therefore could adversely affect our business and operating results.

The oversupply of screens in the motion picture exhibition industry and other factors may adversely affect the performance of some of our theatres.

Since 1999, several major theatre exhibition companies, including Regal Cinemas, Loews Cineplex Entertainment and United Artists filed for bankruptcy. One significant cause of those bankruptcies was the emphasis by theatre circuits on the development of large multiplexes in recent years. The strategy of aggressively building multiplexes was adopted throughout the industry which generated significant competition and resulted in an oversupply of screens in the North American exhibition industry.

Consequently, many older multiplex theatres were rendered obsolete more rapidly than expected. Many of these theatres are under long-term lease commitments that make closing them financially burdensome and some companies have elected to continue operating them notwithstanding their lack of profitability. In other instances, because theatres are typically limited use design facilities, or for other reasons, landlords have been willing to make rent concessions to keep them open. As a result, some analysts believe that there continues to be an oversupply of screens in the North American exhibition industry. This has caused motion picture exhibitors to experience impairment write-offs, losses on theatre dispositions and downward adjustments of credit ratings, and some of our competitors defaulted under their loan agreements. Oversupply of screens may affect the performance of some of our theatres.

Our foreign operations are subject to adverse regulations and currency exchange risk, which may have a material adverse effect on our business.

Outside of North America, we operate 97 theatres with 852 screens in Mexico, Argentina, Brazil, Chile, Ecuador, Peru, Honduras, El Salvador, Nicaragua, Costa Rica, Panama, Colombia and the United Kingdom, with Mexico and Brazil representing approximately 7% and 8% of 2003 revenues, respectively. We will continue to investigate opportunities in these and other foreign markets. Governmental regulation of the motion picture industry in foreign markets differs from those in the United States. Regulations affecting price controls or admission prices, quota systems requiring the exhibition of films produced in the subject country and restrictions on ownership of land may adversely affect our international operations in foreign markets. Our international operations are subject to certain political, economic and other uncertainties not encountered by our domestic operations. We also face the additional risks of currency fluctuations, hard currency shortages and controls of foreign currency exchange. We do not actively hedge against foreign currency exchange risk.

If we do not comply with the Americans with Disabilities Act of 1990, we could be subject to further litigation.

Our theatres must comply with Title III of the Americans with Disabilities Act of 1990, or the ADA, and analogous state and local laws. Compliance with the ADA requires among other things that public facilities reasonably accommodate individuals with disabilities and that new construction or alterations made to commercial facilities conform to accessibility guidelines unless structurally impracticable for new construction or technically infeasible for alterations. If we fail to comply with the ADA, remedies could include imposition of injunctive relief, fines, awards for damages to private litigants and additional capital expenditures to remedy non-compliance. Imposition of significant fines, damage awards or capital expenditures to cure non-compliance could adversely affect our business and operating results.

We have been involved in significant litigation in which it is claimed that many of our theatres do not comply with the ADA. Currently, we are the subject of lawsuits brought by the Department of Justice, or the DOJ, in Cleveland, Ohio and by private plaintiffs in one case in Texas. In each of these cases it is alleged that the wheelchair seating positions do not comply with the ADA, or in the Texas cases, with the Texas Accessibility Standards. The plaintiffs in the DOJ litigation and Mission, Texas litigation have argued that the theatres must provide wheelchair seating locations with viewing angles to the screen that are at the median or better than all seats in the stadium style sections of the auditorium. If we lose the DOJ litigation, our business and results of operations may be materially and adversely affected.

To date, there have been three divergent opinions published by federal circuit courts addressing whether wheelchair seating locations in stadium-style movie theatres must comply with an alleged viewing angle requirement purportedly interpreted from the lines of sight comparable clause of Section 4.33.3 of the ADA Accessibility Guidelines.

On April 6, 2000, the Fifth Circuit Court of Appeals issued its decision in *Lara v. Cinemark,* in which it rejected an interpretation by the DOJ that Section 4.33.3 imposes a viewing angle requirement, and held that wheelchair seating locations in the sloped-floor areas of stadium-style movie theatres that provide unobstructed views of the movie screen comply with the lines of sight comparable language of Section 4.33.3 as a matter of law. On August 13, 2003, the Ninth Circuit Court of Appeals issued its divided decision in *Stewmon v. Regal,* in which the majority deferred to an interpretation by the DOJ that Section 4.33.3 imposes a viewing angle requirement, and held that wheelchair seating locations in the sloped-floor areas of stadium-style movie theatres did not provide comparable viewing angles of the movie screen and thus were unlawful. On November 6, 2003, the Sixth Circuit Court of Appeals issued its opinion in *United States v. Cinemark,* in which it deferred in part to an interpretation by the DOJ that compliance with Section 4.33.3 includes a consideration of the quality of the viewing angle of the movie screen, but remanded the case to the district court to determine liability and remedies issues with dicta suggesting that any remedy should be given prospective application only. These decisions have created three-way circuit conflicts on issues concerning interpreting federal accessibility law, deferring to the DOJ s purported interpretations of federal accessibility law, and whether federal courts should retroactively apply such interpretations after construction of the subject facilities. Due to the circuit conflicts, Cinemark USA, Inc. and Regal Cinemas have each filed petitions for writs of certiorari with the United States Supreme Court. Those petitions for certiorari are currently pending. We are unable to predict whether the United States Supreme Court will grant Cinemark USA, Inc. s petition for certiorari.

We face intense competition for patrons, film licensing and theatre locations, which may affect our business.

The motion picture industry is competitive. We compete against local, national and international exhibitors. We compete for both patrons and licensing of motion pictures. Some of our competitors have substantially greater resources and may have lower costs. The principal competitive factors with respect to film licensing include licensing terms, number of seats and screens available for a particular picture, revenue potential and the location and condition of an exhibitor s theatres.

The competition for patrons is dependent upon such factors as the availability of popular motion pictures, the location and number of theatres and screens in a market, the comfort and quality of the theatres and pricing. Many of our competitors have sought to increase the number of screens that they operate. The multiplex building programs by many of our competitors during the second half of the 1990s were aggressive, according to some industry analysts. Most of the building was financed primarily with debt resulting in increased operating and financial leverage. The significant increase in multiplexes rendered many of the older theatre facilities obsolete more rapidly than expected. Many of the landlords have been unwilling to make rent concessions or terminate the leases for underperforming theatres. Several of our competitors filed for bankruptcy protection and have used the bankruptcy proceedings to reject the leases for underperforming theatres. As a result, some of our competitors may have a lower cost structure.

An increase in the use of alternative film distribution channels and other competing forms of entertainment may drive down movie theatre attendance and limit ticket prices.

We face competition for patrons from a number of alternative motion picture distribution channels, such as home video, pay-per-view, cable, DVD and syndicated and broadcast television. We also compete with other forms of entertainment competing for our patrons leisure time and disposable income such as concerts, amusement parks and sporting events. Alternative film distribution channels and competing forms of entertainment could have a material adverse effect on our business and results of operations.

We may not be able to generate additional revenue opportunities.

We intend to continue to pursue additional revenue streams such as advertising and the use of theatres for non-film events. Our ability to achieve our business objectives may depend in part on our success in generating these revenue streams. We cannot assure you that we will be able to effectively generate these additional revenues and our inability to do so may have an adverse effect on our financial performance.

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

Our results of operations vary from period to period based upon the quantity and quality of the motion pictures that we show in our theatres. The major film distributors generally release during the summer and holiday seasons those films that they anticipate will be the most successful. Consequently, we typically generate higher revenues during these periods.

We are subject to uncertainties related to digital cinema, including potentially high costs of re-equipping theatres.

If a digital cinema roll-out progresses rapidly, we may not have adequate resources to finance the conversion costs. Digital cinema is in an experimental stage in our industry. There are multiple parties vying for the position of being the primary generator of the digital projector roll-out. However, there are significant obstacles to such a roll-out plan including:

quality of image: many industry leaders feel that the quality of the digital image does not yet surpass the quality of the traditional 35mm image, even though consumers have tended to respond favorably to test screenings; and

costs: electronic projectors will require substantial investment in re-equipping theatres.

Even if the technical issues surrounding digital cinema are resolved, business arrangements for the financing of the digital projector roll-out will require significant discussions. Further, we cannot assure you that financing arrangements to fund our portion of the digital cinema roll-out can be obtained on terms we deem acceptable.

We are subject to uncertainties relating to future expansion plans, including our ability to identify suitable acquisition candidates or site locations.

We have greatly expanded our operations over the last decade through new theatre construction and selective theatre acquisitions. We will continue to pursue a strategy of expansion that will involve the development of new theatres, including international markets, and may involve acquisitions of existing theatres and theatre circuits. Acquisitions generally would be made to provide initial entry into a new market or to strengthen our position in an existing market. We may not be able to develop or acquire suitable theatres in the future; therefore, we cannot assure you that our expansion strategy will result in improvements to our business, financial condition or profitability. There is significant competition for potential site locations and existing theatre and theatre circuit acquisition opportunities. As a result of such competition, we may not be able to acquire attractive site locations or existing theatres or theatre circuits on terms we consider acceptable. Further, our expansion programs may require financing in addition to our existing borrowing capacity and internally generated funds that we would use for such purpose. We cannot assure you that financing will be available to us on acceptable terms.

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

Our current and future performance depends to a significant degree upon the continued contributions of our senior management team and other key personnel. The loss or unavailability to us of any member of our senior management team or a key employee could significantly harm us. We cannot assure you that we would be able to locate or employ qualified replacements on acceptable terms for senior management or key employees if their services are no longer available.

We are subject to impairment losses due to potential declines in valuations.

We review 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.

We consider actual theatre level cash flow, future years budgeted theatre level cash flow, theatre property and equipment values, goodwill values, the age of a recently built theatre, competitive theatres in the marketplace, the sharing of a market with our other theatres, changes in foreign currency exchange rates, the impact of recent ticket price changes and other factors in our assessment of impairment of individual theatre assets. Assets are evaluated on an individual theatre basis or a group of theatres that share the same marketplace, which we believe is the lowest applicable level for which there are identifiable cash flows. The evaluation is based on the estimated undiscounted cash flows from continuing use through the remainder of the theatre s useful life. The remainder of the useful life correlates with the available remaining lease period for leased properties and a period of twenty years for fee owned properties. If the estimated undiscounted cash flows are not sufficient to recover an asset s carrying amount, an impairment review is performed in which we compare the carrying value of the asset with its fair value, which is determined based on estimated cash flows. When estimated fair value is determined to be lower than the carrying value of the asset, the asset is written down to its estimated fair value.

We also test goodwill and other intangible assets for impairment at least annually in accordance with Statement of Financial Accounting Standards No. 142, which we adopted on January 1, 2002. The adoption of this accounting pronouncement resulted in a $3.4 million write-down of goodwill and other intangible assets to fair value on January 1, 2002 (recorded as a cumulative effect of a change in accounting principle).

In recent years, in the U.S., our competitors strategy of aggressively building multiplexes generated significant competition and rendered many older theatres obsolete more rapidly than expected. In addition, certain of the international markets served by us experienced adverse economic conditions and currency devaluations. Due to these factors, we recorded asset impairment charges, including goodwill impairment charges, of $20.7 million, $3.9 million and $5.0 million for 2001, 2002 and 2003, respectively. For the three months ended March 31, 2004 we recorded asset impairment charges of $1.0 million. We cannot assure you that additional impairment charges will not be required in the future, and such charges may have a material adverse effect on our financial condition and results of operations.

The interests of our controlling stockholders may conflict with your interests.

Madison Dearborn and its affiliates own approximately 83% of our outstanding voting capital stock. Pursuant to a stockholders agreement among us, an affiliate of Madison Dearborn, the Mitchell investors and the management investors, Madison Dearborn and its affiliates have the right to appoint up to ten of our twelve directors.

Madison Dearborn and its affiliates, by virtue of their stock ownership and board rights, have the ability to control the outcome of all matters presented for approval to our stockholders. Such concentration of ownership may have the effect of preventing a change in control. Because a limited number of people control us, transactions could be difficult or impossible to complete without the support of these persons. It is possible that these persons will exercise control over us in a manner that is adverse to your interests as a holder of the exchange notes. See Principal Stockholders and Certain Relationships and Related Party Transactions.

USE OF PROCEEDS

We will not receive any cash proceeds from the issuance of the exchange notes offered hereby. In consideration for issuing the exchange notes as contemplated in this prospectus, we will receive in exchange, initial notes in like principal amount, the terms of which are the same in all material respects as the form and terms of the exchange notes except that the exchange notes have been registered under the Securities Act and will not contain terms restricting the transfer thereof or providing for registration rights. The initial notes surrendered in exchange for the exchange notes will be retired and cancelled and cannot be reissued. Accordingly, issuance of the exchange notes will not increase our indebtedness.

We received gross proceeds of approximately $360.0 million from the issuance of the initial notes. We used the net proceeds from the offering of the initial notes together with the borrowings under the amended senior credit facility, existing cash and the proceeds from the cash equity investment to pay the consideration for the Recapitalization, refinance the former senior credit facility, fund the purchase of the 8 1/2% senior subordinated notes pursuant to the tender offer and pay related fees and expenses. Refer to Prospectus Summary Sources and Uses of Funds. For a discussion of the terms of the former senior credit facility or the 8 1/2% senior subordinated notes see Management s Discussion and Analysis of Financial Condition and Results of Operations Historical Financings.

THE EXCHANGE OFFER

This section of the prospectus describes the proposed exchange offer. While we believe that the description covers the material terms of the exchange offer, this summary may not contain all of the information that is important to you. You should carefully read this entire document and the other documents referred to herein for a more complete understanding of the exchange offer.

Purpose of the Exchange Offer

In connection with the issuance of the initial notes, we entered into an exchange and registration rights agreement that provides for the exchange offer. A copy of the exchange and registration rights agreement relating to the initial notes is filed as an exhibit to the registration statement of which this prospectus is a part. Under the exchange and registration rights agreement relating to the initial notes we agreed that we would, subject to certain exceptions:

- within 90 days after the issue date of the initial notes, use our reasonable best efforts to file a registration statement with the Securities Exchange Commission, or the SEC, with respect to a registered offer to exchange such initial notes for the exchange notes having terms substantially identical in all material respects to the initial notes (except that the exchange notes will not contain terms with respect to transfer restrictions and will have different administrative terms);

- use our reasonable best efforts to cause the registration statement to be declared effective under the Securities Act within 180 days after the issue date of the initial notes;

- within 30 days following the declaration of the effectiveness of the registration statement, issue the exchange notes in exchange for surrender of the initial notes; and

- if obligated to file a shelf registration statement, use our reasonable best efforts to file the shelf registration statement with the SEC within 30 days after such filing obligation arises (and in any event within 210 days after the issue date of the initial notes) and to cause the shelf registration statement to be declared effective by the SEC within 180 days after such obligation arises.

For each initial note tendered to us pursuant to the exchange offer, we will issue to the holder of such initial note an exchange note having a principal amount equal to that of the surrendered initial note.

Under existing SEC interpretations, the exchange notes will be freely transferable by holders other than our affiliates after the exchange offer without further registration under the Securities Act if the holder of the exchange notes represents to us in the exchange offer that it is acquiring the exchange notes in the ordinary course of its business, that it has no arrangement or understanding with any person to participate in the distribution of the exchange notes and that it is not an affiliate of ours, as such terms are interpreted by the SEC; provided, however, that broker-dealers receiving the exchange notes in the exchange offer will have a prospectus delivery requirement with respect to resales of such exchange notes. The SEC has taken the position that such participating broker-dealers may fulfill their prospectus delivery requirements with respect to the exchange notes (other than a resale of an unsold allotment from the original sale of the initial notes) with the prospectus contained in this registration statement. Each broker-dealer that receives the exchange notes for its own account in exchange for the initial notes, where such initial notes were acquired by such broker-dealer as a result of market-making activities or other trading activities, must acknowledge that it will deliver a prospectus in connection with any resale of such exchange notes. See Plan of Distribution.

A holder of initial notes (other than certain specified holders) who wishes to exchange the initial notes for the exchange notes in the exchange offer will be required to represent that any exchange notes to be received by it will be acquired in the ordinary course of its business and that at the time of the commencement of the exchange offer it has no arrangement or understanding with any person to participate in the distribution (within the meaning of the Securities Act) of the exchange notes and that it is not an affiliate of ours, as defined in Rule 405 of the Securities Act, or if it is an affiliate, that it will comply with the registration and prospectus delivery requirements of the Securities Act to the extent applicable.

In the event that:

(1) we are not required to file an exchange offer registration statement or consummate the exchange offer because the exchange offer is not permitted by applicable law or SEC policy; or

(2) any holder of the initial notes or exchange notes notifies us on or prior to the 20th business day following the consummation of the exchange offer that

(a) such holder is prohibited by a change in applicable law or SEC policy from participating in the exchange offer,

(b) such holder may not resell the exchange notes to be acquired by it in the exchange offer to the public without delivering a prospectus and that the prospectus contained in the exchange offer registration statement is not appropriate or available for such resales by such holder, or

(c) such holder is a broker-dealer and owns initial notes directly from us,

then, we will, subject to certain exceptions,

(1) use our reasonable best efforts to file a shelf registration statement with the SEC covering resales of the initial notes or the exchange notes, as the case may be, on or prior to the date (which we call the shelf filing date) which is the 30th day after the date on which the obligation to file the shelf registration statement arises (and in any event on or prior to the date which is the 180th day after the date we issued the initial notes);

(2) use our reasonable best efforts to cause the shelf registration statement to be declared effective under the Securities Act on or prior to the 180th day after the obligation to file the shelf registration statement arises; and

(3) use our best efforts to keep the shelf registration statement effective until the earliest of (A) the date on which all initial notes or exchange of notes registered thereunder are disposed of in accordance therewith or (B) two years from the date we issued the initial notes registered thereunder.

We will, in the event a shelf registration statement is filed, among other things, provide to each holder for whom such shelf registration statement was filed copies of the prospectus which is a part of the shelf registration statement, notify each such holder when the shelf registration statement has become effective and take certain other actions as are required to permit unrestricted resales of the initial notes or the exchange notes, as the case may be. A holder selling such initial notes or exchange notes pursuant to the shelf registration statement generally would be required to be named as a selling security holder in the related prospectus and to deliver a prospectus to purchasers, will be subject to certain of the civil liability provisions under the Securities Act in connection with such sales and will be bound by the provisions of the registration rights agreement that are applicable to such holder (including certain indemnification obligations).

We will pay additional cash interest on the applicable initial notes and exchange notes, subject to certain exceptions:

(1) if we fail to file the registration statement of which this prospectus forms a part with the SEC on or prior to the 90th day after the issue date of the initial notes;

(2) if the registration statement of which this prospectus forms a part is not declared effective by the SEC on or prior to the 180th day after the issue date of the initial notes;

(3) if the exchange offer is not consummated on or before the 30th business day after the registration statement of which this prospectus forms a part is declared effective;

(4) if obligated to file the shelf registration statement, we fail to file the shelf registration statement with the SEC on or prior to the shelf filing date;

(5) if obligated to file a shelf registration statement, the shelf registration statement is not declared effective on or prior to the 180th day after the shelf filing date; or

(6) after the registration statement of which this prospectus forms a part or the shelf registration statement, as the case may be, is declared effective, such registration statement thereafter ceases to be effective or usable for its intended purpose without being succeeded within two business days by a post effective amendment to such registration statement that cures such failure and that is immediately declared effective; from and including the date on which any such default shall occur to, but excluding, the date on which all such defaults have been cured.

The rate of any such additional interest will be 0.50% per annum. The amount of additional interest will increase by an additional 0.50% per annum with respect to each subsequent 90-day period relating to such registration default until cured up to a maximum of 1.0% per annum. We will pay any such additional interest on regular interest payment dates. Such additional interest will be in addition to any other interest payable from time to time with respect to the initial notes and the exchange notes. The accrual of additional interest will cease upon the cure of all registration defaults.

All references in the indenture, in any context, to any interest or other amount payable on or with respect to the initial notes or the exchange notes shall be deemed to include any additional interest pursuant to the registration rights agreements relating to the initial notes.

If we effect the exchange offer, we will be entitled to close the exchange offer 30 days after the commencement thereof provided that we have accepted all initial notes theretofore validly tendered in accordance with the terms of the exchange offer.

Background of the Exchange Offer

We issued $577,173,000 aggregate principal amount at maturity of 9 3/4% senior discount notes due 2014 on March 31, 2004, the initial notes. The terms of the exchange notes and the initial notes will be identical in all material respects, except for transfer restrictions and registration rights that will not apply to the exchange notes.

The exchange notes will accrete in value until March 15, 2009, at which time the exchange notes will have an aggregate principal amount of $577,173,000. Thereafter, cash interest will be payable on the exchange notes on March 15 and September 15 of each year, beginning on September 15, 2009. The exchange notes will mature on March 15, 2014.

In order to exchange your initial notes for the exchange notes containing no transfer restrictions in the exchange offer, you will be required to make the following representations:

- the exchange notes will be acquired in the ordinary course of your business;

- you have no arrangements with any person to participate in the distribution of the exchange notes; and

- you are not our affiliate as defined in Rule 405 of the Securities Act, or if you are an affiliate of ours, you will comply with the applicable registration and prospectus delivery requirements of the Securities Act.

Upon the terms and subject to the conditions set forth in this prospectus and in the letter of transmittal, we will accept for exchange any initial notes properly tendered and not validly withdrawn in the exchange offer, and the exchange agent will deliver the exchange notes promptly after the expiration date of the exchange offer. We expressly reserve the right to delay acceptance of any of the tendered initial notes or terminate the exchange offer and not accept for exchange any tendered initial notes not already accepted if any conditions set forth under Conditions to the Exchange Offer have not been satisfied or waived by us or do not comply, in whole or in part, with any applicable law.

If you tender your initial notes, you will not be required to pay brokerage commissions or fees or, subject to the instructions in the letter of transmittal, transfer taxes with respect to the exchange of the initial notes.

Expiration Date; Extensions; Termination; Amendments

The exchange offer will expire at 5:00 p.m., New York City time, on July 28, 2004, unless we extend it. We expressly reserve the right to extend the exchange offer on a daily basis or for such period or periods as we may determine in our sole discretion from time to time by giving oral, confirmed in writing, or written notice to the exchange agent and by making a public announcement by press release to the Dow Jones News Service prior to 9:00 a.m., New York City time, on the first business day following the previously scheduled expiration date. During any extension of the exchange offer, all initial notes previously tendered, not validly withdrawn and not accepted for exchange will remain subject to the exchange offer and may be accepted for exchange by us.

To the extent we are legally permitted to do so, we expressly reserve the absolute right, in our sole discretion, but are not required, to:

waive any condition of the exchange offer; and

amend any terms of the exchange offer.

Any waiver or amendment to the exchange offer will apply to all initial notes tendered, regardless of when or in what order the initial notes were tendered. If we make a material change in the terms of the exchange offer or if we waive a material condition of the exchange offer, we will disseminate additional exchange offer materials, and we will extend the exchange offer to the extent required by law.

We expressly reserve the right, in our sole discretion, to terminate the exchange offer if any of the conditions set forth under Conditions of the Exchange Offer exist. Any such termination will be followed promptly by a public announcement. In the event we terminate the exchange offer, we will give immediate notice to the exchange agent, and all initial notes previously tendered and not accepted for exchange will be returned promptly to the tendering holders.

In the event that the exchange offer is withdrawn or otherwise not completed, the exchange notes will not be given to holders of initial notes who have validly tendered their initial notes. We will return any initial notes that have been tendered for exchange but that are not exchanged for any reason to their holder without cost to the holder, or, in the case of the initial notes tendered by book-entry transfer into the exchange agent s account at a book-entry transfer facility under the procedure set forth under Procedures for Tendering Initial Notes Book-Entry Transfer, such initial notes will be credited to the account maintained at such book-entry transfer facility from which such initial notes were delivered, unless otherwise requested by such holder under Special Delivery Instructions in the letter of transmittal, promptly following the exchange date or the termination of the exchange offer.

Resale of the Exchange Notes

Based on interpretations of the SEC set forth in no-action letters issued to third parties, we believe that the exchange notes issued under the exchange offer in exchange for the initial notes may be offered for resale, resold and otherwise transferred by you without compliance with the registration and prospectus delivery provisions of the Securities Act, if:

you are not an affiliate of ours within the meaning of Rule 405 under the Securities Act;

you are acquiring the exchange notes in the ordinary course of your business; and

you do not intend to participate in the distribution of the exchange notes.

If you tender initial notes in the exchange offer with the intention of participating in any manner in a distribution of the exchange notes:

you cannot rely on those interpretations of the SEC; and

you must comply with the registration and prospectus delivery requirements of the Securities Act in connection with a secondary resale transaction, and the secondary resale transaction must be covered by an effective registration statement containing the selling security holder information required by Item 507 or 508, as applicable, of Regulation S-K under the Securities Act.

Unless an exemption from registration is otherwise available, any security holder intending to distribute the exchange notes should be covered by an effective registration statement under the Securities Act containing the selling security holder s information required by Item 507 of Regulation S-K. This prospectus may be used for an offer to resell, a resale or other re-transfer of the exchange notes only as specifically set forth in the section captioned Plan of Distribution. Only broker-dealers that acquired the exchange notes as a result of market-making activities or other trading activities may participate in the exchange offer. Each broker-dealer that receives the exchange notes for its own account 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, must acknowledge that it will deliver a prospectus in connection with any resale of the exchange notes. Please read the section captioned Plan of Distribution for more details regarding the transfer of the exchange notes.

Acceptance of Initial Notes for Exchange

We will accept for exchange initial notes validly tendered pursuant to the exchange offer, or defectively tendered, if such defect has been waived by us, after the later of:

the expiration date of the exchange offer; and

the satisfaction or waiver of the conditions specified below under Conditions of the Exchange Offer.

Except as specified above, we will not accept initial notes for exchange subsequent to the expiration date of the exchange offer. Tenders of initial notes will be accepted only in aggregate principal amounts at maturity equal to $1,000 or integral multiples thereof.

We expressly reserve the right, in our sole discretion, to:

delay acceptance for exchange of initial notes tendered under the exchange offer, subject to Rule 14e-1 under the Exchange Act, which requires that an offeror pay the consideration offered or return the securities deposited by or on behalf of the holders promptly after the termination or withdrawal of a tender offer; or

terminate the exchange offer and not accept for exchange any initial notes, if any of the conditions set forth below under Conditions of the Exchange Offer have not been satisfied or waived by us or in order to comply in whole or in part with any applicable law.

In all cases, the exchange notes will be issued only after timely receipt by the exchange agent of certificates representing initial notes, or confirmation of book-entry transfer, a properly completed and duly executed letter of transmittal, or a manually signed facsimile thereof, and any other required documents. For purposes of the exchange offer, we will be deemed to have accepted for exchange validly tendered initial notes, or defectively tendered initial notes with respect to which we have waived such defect, if, as and when we give oral, confirmed in writing, or written notice to the exchange agent. Promptly after the expiration date, we will deposit the exchange notes with the exchange agent, who will act as agent for the tendering holders for the purpose of receiving the exchange notes and transmitting them to the holders. The exchange agent will deliver the exchange notes to holders of initial notes accepted for exchange after the exchange agent receives the exchange notes.

If, for any reason, we delay acceptance for exchange of validly tendered initial notes or we are unable to accept for exchange validly tendered initial notes, then the exchange agent may, nevertheless, on its behalf, retain tendered initial notes, without prejudice to our rights described in this prospectus under the captions Expiration Date; Extensions; Termination; Amendments, Conditions of the Exchange Offer and Withdrawal of Tenders, subject to Rule 14e-1 under the Securities Exchange Act of 1934, which requires that an offer or pay the consideration offered or return the securities deposited by or on behalf of the holders thereof promptly after the termination or withdrawal of a tender offer.

If any tendered initial notes are not accepted for exchange for any reason, or if certificates are submitted evidencing more initial notes than those that are tendered, certificates evidencing initial notes that are not exchanged will be returned, without expense, to the tendering holder, or, in the case of the initial notes tendered by book-entry transfer into the exchange agent s account at a book-entry transfer facility under the procedure set forth under Procedures for Tendering Initial Notes Book-Entry Transfer, such initial notes will be credited to the account maintained at such book-entry transfer facility from which such initial notes were delivered, unless otherwise requested by such holder under Special Delivery Instructions in the letter of transmittal, promptly following the exchange date or the termination of the exchange offer.

Tendering holders of initial notes exchanged in the exchange offer will not be obligated to pay brokerage commissions or transfer taxes with respect to the exchange of their initial notes other than as described under the caption Transfer Taxes or as set forth in the letter of transmittal. We will pay all other charges and expenses in connection with the exchange offer.

Procedures for Tendering Initial Notes

Any beneficial owner whose initial notes are registered in the name of a broker, dealer, commercial bank, trust company or other nominee or held through a book-entry transfer facility and who wishes to tender initial notes should contact such registered holder promptly and instruct such registered holder to tender initial notes on such beneficial owner s behalf.

Tender of Initial Notes Held Through The Depository Trust Company

The exchange agent and The Depository Trust Company, or DTC, have confirmed that the exchange offer is eligible for the DTC automated tender offer program. Accordingly, DTC participants may electronically transmit their acceptance of the exchange offer by causing DTC to transfer initial notes to the exchange agent in accordance with DTC s automated tender offer program procedures for transfer. DTC will then send an agent s message to the exchange agent.

The term agent s message means a message transmitted by DTC and received by the exchange agent that forms part of the book-entry confirmation. The agent s message states that DTC has received an express acknowledgment from the participant in DTC tendering initial notes that are the subject of that book-entry confirmation, that the participant has received and agrees to be bound by the terms of the letter of transmittal, and that we may enforce such agreement against such participant. In the case of an agent s message relating to guaranteed delivery, the term means a message transmitted by DTC and received by the exchange agent, which states that DTC has received an express acknowledgment from the participant in DTC tendering initial notes that they have received and agree to be bound by the notice of guaranteed delivery.

Tender of Initial Notes Held in Physical Form

For a holder to validly tender initial notes held in physical form:

- the exchange agent must receive at its address set forth in this prospectus a properly completed and validly executed letter of transmittal, or a manually signed facsimile thereof, together with any signature guarantees and any other documents required by the instructions to the letter of transmittal; and

- the exchange agent must receive certificates for tendered initial notes at such address, or such initial notes must be transferred pursuant to the procedures for book-entry transfer described above. A confirmation of such book-entry transfer must be received by the exchange agent prior to the expiration date of the exchange offer. A holder who desires to tender initial notes and who cannot comply with the procedures set forth herein for tender on a timely basis or whose initial notes are not immediately available must comply with the procedures for guaranteed delivery set forth below.

Letters of transmittal and initial notes should be sent only to the exchange agent, and not to us or to any book-entry transfer facility.

The method of delivery of initial notes, letters of transmittal and all other required documents to the exchange agent is at the election and risk of the holder tendering initial notes. Delivery of such documents will be deemed made only when actually received by the exchange agent. If such delivery is by mail, we suggest that the holder use properly insured, registered mail with return receipt requested, and that the mailing be made sufficiently in advance of the expiration date of the exchange offer to permit delivery to the exchange agent prior to such date. No alternative, conditional or contingent tenders of initial notes will be accepted.

Signature Guarantees

A signature on a letter of transmittal or a notice of withdrawal must be guaranteed by an eligible institution. Eligible institutions include banks, brokers, dealers, municipal securities dealers, municipal securities brokers, government securities dealers, government securities brokers, credit unions, national securities exchanges, registered securities associations, clearing agencies and savings associations. The signature need not be guaranteed by an eligible institution if the initial notes are tendered:

- by a registered holder who has not completed the box entitled Special Issuance Instructions or Special Delivery Instructions on the letter of transmittal; or

- for the account of an eligible institution.

If the letter of transmittal is signed by a person other than the registered holder of any initial notes, the initial notes must be endorsed or accompanied by a properly completed bond power. The bond power must be signed by the registered holder as the registered holder s name appears on the initial notes and an eligible institution must guarantee the signature on the bond power.

If the letter of transmittal or any initial notes or bond powers are signed by trustees, executors, administrators, guardians, attorneys-in-fact, officers of corporations or others acting in a fiduciary or representative capacity, these persons should so indicate when signing. Unless we waive this requirement, they should also submit evidence satisfactory to us of their authority to deliver the letter of transmittal.

Book-Entry Transfer

The exchange agent will seek to establish a new account or utilize an existing account with respect to the initial notes at DTC promptly after the date of this prospectus. Any financial institution that is a participant in the book-entry transfer facility system and whose name appears on a security position listing it as the owner of the initial notes may make book-entry delivery of initial notes by causing the book-entry transfer facility to transfer such initial notes into the exchange agent s account. **However, although delivery of initial notes may be effected through book-entry transfer into the exchange agent s account at a book-entry transfer facility, a properly completed and validly executed letter of transmittal, or a manually signed facsimile thereof, must be received by the exchange agent at its address set forth in this prospectus on or prior to the expiration date of the exchange offer, or else the guaranteed delivery procedures described below must be complied with.** The confirmation of a book-entry transfer of initial notes into the exchange agent s account at a book-entry transfer facility is referred to in this prospectus as a book-entry confirmation. Delivery of documents to the book-entry transfer facility in accordance with that book-entry transfer facility s procedures does not constitute delivery to the exchange agent.

Guaranteed Delivery

If you wish to tender your initial notes and:

- certificates representing your initial notes are not lost but are not immediately available;

- time will not permit your letter of transmittal, certificates representing your initial notes and all other required documents to reach the exchange agent on or prior to the expiration date of the exchange offer; or

- the procedures for book-entry transfer cannot be completed on or prior to the expiration date of the exchange offer;

you may tender your initial notes if:

- your tender is made by or through an eligible institution; and
- on or prior to the expiration date of the exchange offer, the exchange agent has received from the eligible institution a properly completed and validly executed notice of guaranteed delivery, by manually signed facsimile transmission, mail or hand delivery, in substantially the form provided with this prospectus:
- setting forth your name and address, the registered number(s) of your initial notes and the principal amount of the initial notes tendered;
- stating that the tender is being made by guaranteed delivery;
- guaranteeing that, within three New York Stock Exchange trading days after the date of the notice of guaranteed delivery, the letter of transmittal or facsimile thereof, properly completed and validly executed, together with certificates representing the initial notes, or a book-entry confirmation, and any other documents required by the letter of transmittal and the instructions thereto, will be deposited by the eligible institution with the exchange agent; and
- the exchange agent receives the properly completed and validly executed letter of transmittal or facsimile thereof with any required signature guarantees, together with certificates for all initial notes in proper form for transfer, or a book-entry confirmation, and any other required documents, within three New York Stock Exchange trading days after the date of the notice of guaranteed delivery.

Other Matters

Exchange notes will be issued in exchange for initial notes accepted for exchange only after timely receipt by the exchange agent of:

- certificates for, or a timely book-entry confirmation with respect to, your initial notes;
- a properly completed and duly executed letter of transmittal or facsimile thereof with any required signature guarantees, or, in the case of a book-entry transfer, an agent s message; and
- any other documents required by the letter of transmittal.

All questions as to the form of all documents and the validity, including time of receipt, and acceptance of all tenders of initial notes will be determined by us, in our sole discretion, the determination of which shall be final and binding. Alternative, conditional or contingent tenders of initial notes will not be considered valid. We reserve the absolute right to reject any or all tenders of initial notes that are not in proper form or the acceptance of which, in our opinion, would be unlawful. We also reserve the right to waive any defects, irregularities or conditions of tender as to any particular initial notes. Our interpretation of the terms and conditions of the exchange offer, including the instructions in the letter of transmittal, will be final and binding on all parties.

Unless waived by us, any defect or irregularity in connection with tenders of initial notes must be cured within the time that we determine. Tenders of initial notes will not be deemed to have been made until all defects and irregularities have been waived by us or cured. Neither us, the exchange agent, nor any other person will be under any duty to give notice of any defects or irregularities in tenders of initial notes, or will incur any liability to holders for failure to give any such notice.

By signing or agreeing to be bound by the letter of transmittal, you will represent to us that, among other things:

- any exchange notes that you receive will be acquired in the ordinary course of your business;
- you have no arrangement or understanding with any person or entity to participate in the distribution of the exchange notes;
- if you are not a broker-dealer, that you are not engaged in and do not intend to engage in the distribution of the exchange notes;
- if you are a broker-dealer that will receive the exchange notes for your own account in exchange for initial notes that were acquired as a result of market-making activities or other trading activities, that you will deliver a prospectus, as required by law, in connection with any resale of the exchange notes; and
- you are not an affiliate of ours, as defined in Rule 405 of the Securities Act, or, if you are an affiliate, you will comply with any applicable registration and prospectus delivery requirements of the Securities Act.

Withdrawal of Tenders

Except as otherwise provided in this prospectus, you may withdraw your tender of initial notes at any time prior to the expiration date of the exchange offer.

For a withdrawal to be effective:

- the exchange agent must receive a written notice of withdrawal at the address set forth below under Exchange Agent ; or
- you must comply with the appropriate procedures of DTC s automated tender offer program system.

Any notice of withdrawal must:

- specify the name of the person who tendered the initial notes to be withdrawn; and
- identify the initial notes to be withdrawn, including the principal amount of the initial notes to be withdrawn.

If certificates for the initial notes have been delivered or otherwise identified to the exchange agent, then, prior to the release of those certificates, the withdrawing holder must also submit:

- the serial numbers of the particular certificates to be withdrawn; and
- a signed notice of withdrawal with signatures guaranteed by an eligible institution, unless the withdrawing holder is an eligible institution.

If the initial notes have been tendered pursuant to the procedure for book-entry transfer described above, any notice of withdrawal must specify the name and number of the account at DTC to be credited with the withdrawn initial notes and otherwise comply with the procedures of DTC.

We will determine all questions as to the validity, form and eligibility, including time of receipt, of notices of withdrawal, and our determination shall be final and binding on all parties. We will deem any initial notes so withdrawn not to have been validly tendered for exchange for purposes of the exchange offer.

We will return any initial notes that have been tendered for exchange but that are not exchanged for any reason to their holder without cost to the holder. In the case of initial notes tendered by book-entry transfer into the exchange agent s account at DTC, according to the procedures described above, those initial notes will be credited to an account maintained with DTC for the initial notes. This return or crediting will take place as soon as practicable after withdrawal, rejection of tender or termination of the exchange offer. You may re-tender properly withdrawn initial notes by following one of the procedures described under

Procedures for Tendering Initial Notes at any time on or prior to the expiration date of the exchange offer.

Conditions to the Exchange Offer

Despite any other term of the exchange offer, we will not be required to accept for exchange any initial notes and we may terminate or amend the exchange offer as provided in this prospectus before accepting any initial notes for exchange if in our reasonable judgment:

the exchange notes to be received will not be tradable by the holder without restriction under the Securities Act and the Exchange Act and without material restrictions under the blue sky or securities laws of substantially all of the states of the United States;

the exchange offer, or the making of any exchange by a holder of initial notes, would violate applicable law or any applicable interpretation of the staff of the SEC; or

any action or proceeding has been instituted or threatened in any court or by or before any governmental agency with respect to the exchange offer that would reasonably be expected to impair our ability to proceed with the exchange offer.

We will not be obligated to accept for exchange the initial notes of any holder that has not made to us:

the representations described under the captions Procedures for Tendering Initial Notes and Plan of Distribution; and

any other representations that may be reasonably necessary under applicable SEC rules, regulations or interpretations to make available to us an appropriate form for registration of the exchange notes under the Securities Act.

We expressly reserve the right, at any time or at various times, to extend the period of time during which the exchange offer is open. Consequently, we may delay acceptance of any initial notes by giving oral or written notice of an extension to their holders. During an extension, all initial notes previously tendered will remain subject to the exchange offer, and we may accept them for exchange. We will return any initial notes that we do not accept for exchange for any reason without expense to their tendering holder as promptly as practicable after the expiration or termination of the exchange offer.

We expressly reserve the right to amend or terminate the exchange offer and to reject for exchange any initial notes not previously accepted for exchange, upon the occurrence of any of the conditions of the exchange offer specified above. By public announcement we will give oral or written notice of any extension, amendment, non-acceptance or termination to the holders of the initial notes as promptly as practicable. If we amend the exchange offer in a manner that we consider material, we will disclose the amendment in the manner required by applicable law.

These conditions are solely for our benefit and we may assert them regardless of the circumstances that may give rise to them or waive them in whole or in part at any time or at various times in our sole discretion. If we fail at any time to exercise any of the foregoing rights, this failure will not constitute a waiver of that right. Each of these rights will be deemed an ongoing right that we may assert at any time or at various times.

We will not accept for exchange any initial notes tendered, and will not issue the exchange notes in exchange for any initial notes, if at any time a stop order is threatened or in effect with respect to the registration statement of which this prospectus constitutes a part or the qualification of the indenture under the Trust Indenture Act of 1939.

Transfer Taxes

We will pay all transfer taxes, if any, applicable to the transfer and exchange of initial notes pursuant to the exchange offer. The tendering holder, however, will be required to pay any transfer taxes, whether imposed on the record holder or any other person, if:

- delivery of the exchange notes, or certificates for initial notes for principal amounts not exchanged, are to be made to any person other than the record holder of the initial notes tendered;
- tendered certificates for initial notes are recorded in the name of any person other than the person signing any letter of transmittal; or
- a transfer tax is imposed for any reason other than the transfer and exchange of initial notes under the exchange offer.

Consequences of Failure to Exchange

If you do not exchange your initial notes for the exchange notes in the exchange offer, you will remain subject to restrictions on transfer of the initial notes:

- as set forth in the legend printed on the initial notes as a consequence of the issuance of the initial notes pursuant to the exemptions from, or in transactions not subject to, the registration requirements of the Securities Act and applicable state securities laws; and
- as otherwise set forth in the offering memorandum distributed in connection with the private offering of each of the initial notes.

In general, you may not offer or sell the initial notes unless they are registered under the Securities Act, or if the offer or sale is exempt from registration under the Securities Act and applicable state securities laws. Except as required by the registration rights agreements relating to the initial notes, we do not intend to register resales of the initial notes under the Securities Act. Based on interpretations of the SEC, you may offer for resale, resell or otherwise transfer the exchange notes issued in the exchange offer without compliance with the registration and prospectus delivery provisions of the Securities Act, provided that:

- you are not an affiliate within the meaning of Rule 405 under the Securities Act;
- you acquired the exchange notes in the ordinary course of your business; and
- you have no arrangement or understanding with respect to the distribution of the exchange notes to be acquired in the exchange offer.

If you tender initial notes in the exchange offer for the purpose of participating in a distribution of the exchange notes:

- you cannot rely on the applicable interpretations of the SEC; and
- you must comply with the registration and prospectus delivery requirements of the Securities Act in connection with a secondary resale transaction and that such a secondary resale transaction must be covered by an effective registration statement containing the selling security holder information required by Item 507 or 508, as applicable, of Regulation S-K under the Securities Act.

Exchange Agent

The Bank of New York Trust Company, N.A. has been appointed as exchange agent for the exchange offer. You should direct questions and requests for assistance, requests for additional copies of this prospectus, the letter of transmittal or any other documents to the exchange agent. You should send certificates for initial notes, letters of transmittal and any other required documents to the exchange agent addressed as follows:

By Registered or Certified Mail	*By Hand or Overnight Delivery*	*Facsimile Transmission*
The Bank of New York Trust Company, N.A. Corporate Trust Operations Reorganization Unit 101 Barclay Street 7 East New York, NY 10286 Attn: Kin Lau	The Bank of New York Trust Company, N.A. (Eligible Institutions Only) Corporate Trust Operations Reorganization Unit 101 Barclay Street 7 East New York, NY 10286 Attn: Kin Lau	(212) 298-1915 Attn: Kin Lau *Confirm by Telephone* (212) 815-3750

Delivery of the letter of transmittal to an address other than as shown above or transmission via facsimile other than as set forth above does not constitute a valid delivery of the letter of transmittal.

Other

Participation in the exchange offer is voluntary, and you should carefully consider whether to exchange the initial notes for the exchange notes. We urge you to consult your financial and tax advisors in making your own decision on what action to take.

We may in the future seek to acquire untendered initial notes in open market or privately negotiated transactions, through subsequent exchange offers or otherwise, on terms that may differ from the terms of the exchange offer. We have no present plans to acquire any initial notes that are not tendered in the exchange offer or to file a registration statement to permit resales of any untendered initial notes.

CAPITALIZATION

The following table presents our capitalization as of March 31, 2004. Our capitalization is presented:

on an actual basis; and

on a pro forma basis to give effect to the Transactions.

You should read this table in conjunction with Summary The Transactions, Unaudited Pro Forma Condensed Consolidated Financial Information, Management s Discussion and Analysis of Financial Condition and Results of Operations and the consolidated financial statements and related notes that are included in this prospectus.

	As of March 31, 2004	
	Actual	Pro Forma
	(Unaudited) (In thousands)	
Cash and cash equivalents	$ 448,150	$ 52,897
Long-term debt, including current maturities:		
Subsidiary debt:		
Senior credit facility of Cinemark USA, Inc.(1)	$ 163,762	$ 260,000
8 1/2% senior subordinated notes of Cinemark USA, Inc.(2)	104,567	10,790
9% senior subordinated notes of Cinemark USA, Inc.(3)	373,817	356,067
Other subsidiary indebtedness(4)	14,055	14,055
9 3/4% senior discount notes	360,096	360,096
Total long-term debt	1,016,297	1,001,008
Minority interest in subsidiaries	34,434	34,434
Stockholders equity (deficiency):		
Common stock	41	28
Additional paid-in capital	40,369	597,069
Retained earnings (deficit)	134,593	(763,800)
Accumulated other comprehensive loss	(86,539)	(86,539)
Unearned compensation stock options	(1,595)	
Total stockholders equity (deficiency)	86,869	(253,242)
Total capitalization(5)	$ 1,137,600	$ 782,200

(1) As of March 31, 2004, on an actual basis $74.9 million was available under Cinemark USA, Inc. s former senior credit facility, subject to compliance with the terms thereof. The former senior credit facility consisted of a $75.0 million revolving credit facility that expired in February 2008 and a $165.0 million term loan that matured in March 2008. The effective interest rate on outstanding borrowings under the former senior credit facility at March 31, 2004 was 5.5% per annum.

In connection with the Transactions, the former senior credit facility was refinanced by the amended senior credit facility. 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.

(2) The amount shown on an actual basis is net of an unamortized debt discount of approximately $0.4 million associated with the issuance of the 8 1/2% senior subordinated notes. In connection with the Transactions, Cinemark USA, Inc. redeemed approximately $94.2 million

aggregate principal amount of 8 1/2% senior subordinated notes that were tendered in the tender offer and concurrently therewith approximately $0.4 million of related unamortized bond discount was written off.

(3) The amount shown includes an unamortized premium of approximately $13.8 million associated with the issuance of the 9% senior subordinated notes. 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.

(4) Consists of $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.

(5) Pro forma total capitalization is less than actual total capitalization by $355.4 million as a result of the adjustments set forth in Unaudited Pro Forma Condensed Consolidated Financial Information.

UNAUDITED PRO FORMA CONDENSED CONSOLIDATED FINANCIAL INFORMATION

On March 12, 2004, Popcorn Merger Corp., a Delaware company and newly formed subsidiary of Madison Dearborn, entered into a merger agreement with Cinemark, Inc., pursuant to which Popcorn Merger Corp. merged on April 2, 2004 with and into Cinemark, Inc. with Cinemark, Inc. continuing as the surviving corporation. Simultaneously with the merger, the equity sponsor purchased shares of common stock of Cinemark, Inc. Lee Roy Mitchell, the Mitchell Special Trust and certain members of our management which were stockholders of Cinemark, Inc., among others, received cash consideration in the merger pursuant to the merger agreement. In addition, after the merger 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, 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 our controlling stockholder.

We derived the following unaudited pro forma condensed consolidated data by applying pro forma adjustments to our historical consolidated financial statements included elsewhere in this offering memorandum. The unaudited pro forma condensed consolidated income statement data for the year ended December 31, 2003 and for the three months ended March 31, 2004 give effect to the Transactions, including the offering of the notes and the application of the proceeds, as if they had occurred on January 1, 2003. The unaudited pro forma condensed consolidated balance sheet data gives effect to the Transactions, including the offering of the notes and the application of the proceeds, as if they had occurred on March 31, 2004. We describe the assumptions underlying the pro forma adjustments in the accompanying notes, which should be read in conjunction with these unaudited pro forma condensed consolidated financial statements.

The pro forma adjustments related to the Recapitalization are based on actual adjustments made upon the closing date of the Recapitalization.

Unaudited pro forma condensed consolidated financial information gives effect to:

- the Recapitalization;

- the offering of the initial notes, the repurchase of the approximately $94.2 million aggregate principal amount of 8 1/2% senior subordinated notes in the tender offer, the repurchase of approximately $17.8 million aggregate principal amount of 9% senior subordinated notes tendered and not withdrawn in the change of control offer, $260.0 million of borrowings under the amended senior credit facility and the repayment of all outstanding amounts under the former senior credit facility; and

- the fees and expenses associated with the Transactions.

The unaudited pro forma condensed 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 income statement data or other financial data as of any future date or for any future period.

The unaudited pro forma condensed consolidated financial statements should be read in conjunction with the information contained in Selected Historical Consolidated Financial Information, Management s Discussion and Analysis of Financial Condition and Results of Operations and the consolidated financial statements and accompanying notes appearing elsewhere in this offering memorandum.

CINEMARK, INC.

UNAUDITED PRO FORMA CONDENSED CONSOLIDATED BALANCE SHEET

As of March 31, 2004

	Historical	Adjustments(1)	Pro Forma
		(In thousands)	
ASSETS			
Cash and cash equivalents	$ 448,150	$ (350,314)(a)	$ 52,897
		(44,939)(b)	
Accounts receivable	13,671		13,671
Other current assets	10,361	150 (b)	10,511
Theatre properties and equipment, net	773,285		773,285
Goodwill	11,977		11,977
Intangible assets net	7,744		7,744
Deferred charges and other assets net	44,695	12,796 (b)	57,491
TOTAL ASSETS	$ 1,309,883	$ (382,307)	$ 927,576
LIABILITIES AND STOCKHOLDERS EQUITY (DEFICIENCY)			
LIABILITIES			
Accounts payable	41,228	(10,480)(g)	30,748
Accrued film rentals	24,737		24,737
Accrued interest	6,931	(1,408)(g)	5,523
Accrued payroll	9,535		9,535
Accrued property taxes	9,691		9,691
Accrued other current liabilities	27,726		27,726
Long-term debt	1,016,297	260,000 (b)	1,001,008
		(163,763)(b)	
		(94,165)(b)	
		389 (b)	
		(17,750)(b)	
Deferred income taxes	15,092	(15,019)(d)	73
Deferred lease expenses	27,716		27,716
Deferred revenues and other long-term liabilities	9,627		9,627
Total liabilities	1,188,580	(42,196)	1,146,384
COMMITMENTS AND CONTINGENCIES			
MINORITY INTERESTS IN SUBSIDIARIES	34,434		34,434
STOCKHOLDERS EQUITY (DEFICIENCY)			
Common stock	41	(13)(c)	28
Additional paid-in-capital	40,369	556,700 (c)	597,069
Retained earnings (deficit)	134,593	(898,393)(c)	(763,800)
Accumulated other comprehensive loss	(86,539)		(86,539)
Other	(1,595)	1,595 (c)	
TOTAL STOCKHOLDERS EQUITY (DEFICIENCY)	86,869	(340,111)	(253,242)
TOTAL LIABILITIES AND STOCKHOLDERS EQUITY (DEFICIENCY)	$ 1,309,883	$ (382,307)	$ 927,576

(1) See notes to the Unaudited Pro Forma Condensed Consolidated Financial Information

CINEMARK, INC.

UNAUDITED PRO FORMA CONDENSED CONSOLIDATED INCOME STATEMENT

For the Three Months Ended March 31, 2004

	Historical	Adjustments(1)	Pro Forma
	(In thousands, except per share amounts)		
Revenues	$235,112	$	$235,112
Cost of operations:			
Film rentals and advertising	78,972		78,972
Concession supplies	12,113		12,113
Salaries and wages	24,317		24,317
Facility lease expense	31,088		31,088
Utilities and other	26,580		26,580
Total cost of operations	173,070		173,070
General and administrative expenses	11,869		11,869
Depreciation and amortization	16,889		16,889
Asset impairment loss	1,000		1,000
Gain on sale of assets and other	(513)		(513)
Total costs and expenses	202,315		202,315
OPERATING INCOME	32,797		32,797
OTHER EXPENSE			
Interest expense	(12,562)	(7,378)(e)	(20,459)
		(519)(f)	
Other	(752)		(752)
Total other expenses	(13,314)	(7,897)	(21,211)
INCOME FROM CONTINUING OPERATIONS BEFORE INCOME TAXES	19,483	(7,897)	11,586
INCOME TAXES	7,948	(3,222)(d)	4,726
INCOME FROM CONTINUING OPERATIONS	$ 11,535	$(4,675)	$ 6,860
INCOME FROM CONTINUING OPERATIONS PER SHARE BASIC	$ 0.28		$ 0.25
INCOME FROM CONTINUING OPERATIONS PER SHARE DILUTED	$ 0.28		$ 0.25

(1) See notes to the Unaudited Pro Forma Condensed Consolidated Financial Information

CINEMARK, INC.

UNAUDITED PRO FORMA CONDENSED CONSOLIDATED INCOME STATEMENT

For the Year Ended December 31, 2003

	Historical	Adjustments(1)	Pro Forma
	(In thousands, except per share amounts)		
Revenues	$950,872	$	$950,872
Cost of operations:			
Film rentals and advertising	324,902		324,902
Concession supplies	49,640		49,640
Salaries and wages	97,240		97,240
Facility lease expense	119,517		119,517
Utilities and other	110,792		110,792
Total cost of operations	702,091		702,091
General and administrative expenses	44,285		44,285
Depreciation and amortization	65,085		65,085
Asset impairment loss	5,049		5,049
Gain on sale of assets and other	(1,202)		(1,202)
Total costs and expenses	815,308		815,308
OPERATING INCOME	135,564		135,564
OTHER EXPENSE			
Interest expense	(54,163)	(29,896)(e)	(85,365)
		(1,306)(f)	
Loss on early retirement of debt	(7,540)		(7,540)
Other	(1,106)		(1,106)
Total other expenses	(62,809)	(31,202)	(94,011)
INCOME FROM CONTINUING OPERATIONS BEFORE INCOME TAXES	72,755	(31,202)	41,553
INCOME TAXES	25,166	(10,796)(d)	14,370
INCOME FROM CONTINUING OPERATIONS	$ 47,589	$(20,406)	$ 27,183
INCOME FROM CONTINUING OPERATIONS PER SHARE BASIC	$ 1.10		$ 0.98
INCOME FROM CONTINUING OPERATIONS PER SHARE DILUTED	$ 1.09		$ 0.98

(1) See notes to the Unaudited Pro Forma Condensed Consolidated Financial Information

CINEMARK, INC.

NOTES TO UNAUDITED PRO FORMA CONDENSED CONSOLIDATED

FINANCIAL INFORMATION
(Dollars in thousands)

(a) Reflects the sources and uses of funds in connection with the Recapitalization as summarized below.

Sources of Funds:	
Cash from equity sponsor	$518,245
Net cash used(1)	350,314
Total	$868,559

Uses of Funds:	
Payment to equity holders(2)	$840,655
Transaction fees(3)	27,904
Total	$868,559

(1) Consists of cash provided by the issuance of the 9 3/4% senior discount notes on March 31, 2004, which resulted in gross proceeds of $360,000.

(2) Includes $11,363 of withholding taxes.

(3) Represents transaction fees associated with the Recapitalization that were recorded as a reduction to additional paid-in-capital.

(b) Reflects the sources and uses of the proceeds from the financing transactions in connection with the Recapitalization as summarized below.

Sources of Funds:	
Amended senior credit facility(1)	$260,000
Net cash used(2)	44,939
Total	$304,939

Uses of Funds:	
Repay former senior credit facility term note	$163,763
Repurchase 8 1/2% senior subordinated notes(3)	94,165
Repurchase 9% senior subordinated notes(4)	17,750
Debt issue and tender fees(5)	29,261

Total	$304,939

(1) Represents borrowings by Cinemark USA, Inc. under the amended senior credit facility.

(2) Consists of a portion of the cash received upon the issuance of the 9 3/4% senior discount notes on March 31, 2004 together with available cash of $35,253.

(3) Represents repurchase of $94,165 aggregate principal amount of the 8 1/2% senior subordinated notes pursuant to the tender offer (which includes $389 of unamortized bond discount).

(4) Represents repurchase of $17,750 aggregate principal amount of the 9% senior subordinated notes pursuant to the change of control offer.

(5) Represents debt issue fees in conjunction with the issuance of the senior discount notes and the amended senior credit facility, of which $12,946 were capitalized, and certain premiums and fees associated with the tender offer.

(c) Records the impact on equity as a result of the Transactions. Common stock, additional paid-in-capital and retained earnings reflects the constructive retirement of all outstanding common stock and the subsequent reissuance of common stock to the equity sponsor and management investors. Retained earnings has been adjusted by $21,792 related to the Transactions that will be recognized in our 2004 Consolidated Statement of Operations but are not reflected in the unaudited pro forma condensed statement of income due to the non-recurring nature of the transaction costs.

(d) Adjusts income taxes on a pro forma basis to reflect our effective tax rate of 34.6% for the year ended December 31, 2003 and 40.8% for the three months ended March 31, 2004.

CINEMARK, INC.

NOTES TO UNAUDITED PRO FORMA CONDENSED CONSOLIDATED

FINANCIAL INFORMATION (Continued)

(e) Represents change in interest expense arising from:

	Year Ended December 31, 2003	Three Months Ended March 31, 2004
Interest expense on amended senior credit facility:		
Term loan	$ 8,710	$ 2,178
Revolving credit facility		
Interest expense on 9 3/4% senior discount notes	35,100	8,679
Interest expense on former senior credit facility:		
Term loan	(5,910)	(1,478)
Revolving credit facility		
Interest expense on 8 1/2% senior subordinated notes	(8,004)	(2,001)
Net increase	$29,896	$ 7,378

(f) Represents change in amortization of debt issue costs:

Debt issuance costs related to the amended senior credit facility	$ 1,036	$ 259
Debt issuance costs related to 9 3/4% senior discount notes	1,589	397
Debt issuance costs related to former senior credit facility	(1,319)	(137)
Debt issuance costs related to 8 1/2% senior subordinated notes		
Net increase	$ 1,306	$ 519

(g) Represents debt issue costs and interest accrued as of March 31, 2004 that were paid upon the consummation of the Recapitalization.

SELECTED HISTORICAL CONSOLIDATED FINANCIAL AND OPERATING DATA

The following tables set forth our selected consolidated financial and operating data as of and for the periods indicated. Our historical financial data for each of the years ended December 31, 2003 is derived from our consolidated audited financial statements. 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 1999, 2000, 2001, 2002 and 2003 financial statements to conform to the 2004 presentation. You should read the selected consolidated financial and operating data set forth below in conjunction with Management s Discussion and Analysis of Financial Condition and Results of Operations and with our consolidated financial statements and unaudited interim financial statements and related notes appearing elsewhere in this prospectus.

	Year Ended December 31,					Three Months Ended March 31,	
	1999	**2000**	**2001**	**2002**	**2003**	**2003**	**2004**
	(In thousands, except for ratios)					(Unaudited)	
Statement of Operations Data (Consolidated)(1):							
Revenues	$ 712,604	$786,264	$853,658	$935,854	$950,872	$202,473	$235,112
Theatre operating costs	463,673	504,519	531,967	570,947	582,574	124,062	141,982
Facility lease expense	89,808	108,489	114,737	115,588	119,517	28,451	31,088
General and administrative expenses	34,833	39,013	42,597	47,953	44,285	9,443	11,869
Depreciation and amortization	53,269	66,111	73,079	66,583	65,085	15,996	16,889
Asset impairment loss	3,720	3,872	20,723	3,869	5,049		1,000
(Gain) loss on sale of assets and other	2,420	912	12,408	470	(1,202)	(616)	(513)
Total expenses	647,723	722,916	795,511	805,410	815,308	177,336	202,315
Operating income	64,881	63,348	58,147	130,444	135,564	25,137	32,797
Interest expense(2)	59,867	74,037	70,931	57,793	54,163	13,879	12,562
Income (loss) from continuing operations before cumulative effect of an accounting change	4,004	(10,423)	(3,462)	40,516	47,589	5,765	11,535
Loss from discontinued operations			(559)	(1,651)	(2,939)	(315)	(1,763)
Net income (loss)(3)	$ 1,035	$ (10,423)	$ (4,021)	$ 35,476	$ 44,650	$ 5,450	$ 9,772
Other Financial Data (Consolidated)(1):							
Cash flow from (used for):							
Operating activities	$ 92,102	$ 54,796	$ 87,117	$150,119	$135,522	$ (15,649)	$ 10,004
Investing activities	(223,044)	(94,886)	(33,799)	(34,750)	(47,151)	(7,116)	(16,210)
Financing activities	114,927	51,280	(21,508)	(96,140)	(45,738)	1,545	347,079
Capital expenditures	248,371	113,081	40,352	38,032	51,002	(8,603)	(17,850)
Ratio of earnings to fixed charges(4)	1.0x			1.7x	1.8x	1.4x	1.9x

	As of December 31,	As of March 31,

	1999	2000	2001	2002	2003	2003	2004
			(In thousands)			(Unaudited)	
Balance Sheet Data (Consolidated):							
Cash and cash equivalents	$ 8,872	$ 19,840	$ 50,199	$ 63,719	$ 107,322	$ 42,652	$ 448,150
Theatre properties and equipment net	933,959	950,135	866,406	791,731	775,880	784,294	773,285
Total assets	1,041,861	1,060,576	996,544	916,814	960,736	898,929	1,309,883
Total long-term debt, including current portion	778,413	810,323	780,956	692,587	658,431	704,099	1,016,297
Stockholders equity	63,851	48,910	25,337	27,664	76,947	34,335	86,869

(footnotes begin on the following page)

	As of December 31,					Three Months Ended March 31,	
	1999	2000	2001	2002	2003	2003	2004
Operating Data(1):							
North America(5)(7)							
Theatres operated (at period end)	185	190	188	188	189	186	200
Screens operated (at period end)	2,102	2,217	2,217	2,215	2,244	2,206	2,323
Total attendance	90,996	92,425	100,022	111,959	112,581	24,264	26,323
International(6)							
Theatres operated (at period end)	69	80	88	92	97	92	97
Screens operated (at period end)	606	695	783	816	852	818	852
Total attendance	39,938	46,152	53,853	60,109	60,553	13,727	15,791
Worldwide(5)(6)(7)							
Theatres operated (at period end)	254	270	276	280	286	278	297
Screens operated (at period end)	2,708	2,912	3,000	3,031	3,096	3,024	3,175
Total attendance	130,934	138,577	153,875	172,068	173,134	37,991	42,114

(1) Statement of operations data and attendance data exclude the results of our United Kingdom theatres for all periods presented, as these theatres were classified as held for sale at March 31, 2004. The results of operations for these two theatres are presented as discontinued operations.

(2) Includes amortization of debt issue cost and excludes capitalized interest for all periods presented.

(3) In 1999, a cumulative effect of a change in accounting principle charge of $3.0 million (net of tax benefit) was recorded in connection with the adoption of Statement of Position (SOP) 98-5 requiring start-up activities and organization costs to be expensed as incurred. In 2002, a cumulative effect of a change in accounting principle charge of $3.4 million (net of tax benefit) was recorded as a transitional impairment adjustment in connection with the adoption of Statement of Financial Accounting Standards No. 142 requiring that goodwill and other intangible assets with indefinite useful lives no longer be amortized but instead be tested for impairment at least annually.

(4) For the purposes of calculating the ratio of earnings to fixed charges, earnings consist of income (loss) before taxes and cumulative effect of an accounting change plus fixed charges excluding capitalized interest. Fixed charges consist of interest expense, capitalized interest, amortization of debt issue cost and that portion of rental expense which we believe to be representative of the interest factor. For the years ended December 31, 2000 and 2001, earnings were insufficient to cover fixed charges by $10.4 million and $17.9 million, respectively.

(5) The data excludes certain theatres operated by us in North America pursuant to management agreements that are not part of our consolidated operations.

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

(7) The data for 2003 excludes theatres, screens and attendance for the eight theatres and 46 screens acquired in the United States on December 31, 2003, because the results of operations for these theatres are not included in our 2003 consolidated results of operations.

MANAGEMENT S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION

AND RESULTS OF OPERATIONS

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

Revenues and Expenses

We generate revenues primarily from box office receipts and concession sales with additional revenues from screen advertising sales and other ancillary revenue streams, such as vendor marketing programs, pay phones, ATM machines and electronic video games located in some of our theatres. 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 releases during the first quarter of 2004 included the blockbuster *The Passion of the Christ,* which exceeded $300 million in U.S. box office receipts. Films released and scheduled for release during the remainder of 2004 include highly anticipated sequels such as *Shrek 2*, *Harry Potter and the Prisoner of Azkaban* and *Spider-Man 2* as well as other anticipated blockbusters such as *Van Helsing* and *The Day After Tomorrow*.

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 successful films are released. Film rental costs can also vary based on the length of a film s run. Generally, a film that runs for a longer period results in lower film rental costs as a percentage of revenues. Film rental rules are negotiated on a film-by-film and theatre-by-theatre basis. Advertising costs borne by us, 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 ads is based on, among other things, the size of the directory and the frequency and size of the newspaper s circulation. The internet is quickly becoming the primary way to check movie times, replacing the traditional newspaper advertisements. Over time, the internet may allow us to reduce our advertising costs associated with newspaper directory advertisements.

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 handle changes in attendance.

Facility lease expense is primarily a fixed cost at the theatre level as our facility leases generally require a fixed monthly minimum rent payment. Certain leases are also subject to additional percentage rent if a target annual revenue level is achieved. Facility lease expense as a percentage of revenues is also affected by the number of leased versus fee owned facilities.

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

Critical Accounting Policies

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

Revenue and Expense Recognition

Revenues are recognized when admissions and concession sales are received at the box office and screen advertising is shown at the theatres. We record proceeds from the sale of gift cards and other advanced sale-type certificates in current liabilities and recognize admissions and concession revenue when a holder redeems a gift card or other advanced sale-type certificate. We recognize unredeemed gift cards and other advanced sale-type certificates as other revenue only after such a period of time indicates, based on our historical experience, the likelihood of redemption is remote.

Film rental costs are accrued based on the applicable box office receipts and either the mutually agreed upon firm terms or estimates of the final settlement depending on the film licensing arrangement. Estimates are made based on the expected success of a film over the length of its run. The success of a film can typically be determined a few weeks after a film is released when initial box office performance of the film is known. Accordingly, final settlements typically approximate estimates since box office receipts are known at the time the estimate is made and the expected success of a film over the length of its run can typically be estimated early in the film s run. The final film settlement amount is negotiated at the conclusion of the film s run based upon how a film actually performs. If actual settlements are higher than those estimated, additional film rental costs are recorded at that time. When participating in co-operative advertising, we share the total advertising costs to promote a film with the film distributor on a negotiated basis and our advertising expenses are presented net of the portion of advertising costs reimbursed to us. We recognize advertising costs and any sharing arrangements with film distributors in the same accounting period. Advertising costs borne by us are expensed as incurred.

Asset Impairment Loss

We review 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. We assess many factors including the following to determine whether to impair individual theatre assets:

- actual theatre level cash flow;
- future years budgeted theatre level cash flow;
- theatre property and equipment values;
- goodwill values;
- the age of a recently built theatre;
- competitive theatres in the marketplace;
- the sharing of a market with our other theatres;
- changes in foreign currency exchange rates;
- the impact of recent ticket price changes;
- available lease renewal options; and
- other factors considered relevant in our assessment of impairment of individual theatre assets.

Assets are evaluated for impairment on an individual theatre basis or a group of theatres that share the same marketplace, which we believe is the lowest applicable level for which there are identifiable cash flows. The evaluation is based on the estimated undiscounted cash flows from continuing use through the remainder of the theatre s useful life. The remainder of the useful life correlates with the available remaining lease period for leased properties and a period of twenty years for fee owned properties. If the estimated undiscounted cash flows are not sufficient to recover an asset s carrying amount, we then compare the

carrying value of the asset with its fair value, which is determined based on estimated cash flows. When estimated fair value is determined to be lower than the carrying value of the asset, the asset is written down to its estimated fair value.

Income Taxes

We use an asset and liability approach to financial accounting and reporting for income taxes. Deferred income taxes are provided when tax laws and financial accounting standards differ with respect to the amount of income for a year and the bases of assets and liabilities. A valuation allowance is recorded to reduce the carrying amount of deferred tax assets unless it is more likely than not that such assets will be realized. Income taxes are provided on unremitted earnings from foreign subsidiaries unless such earnings are expected to be indefinitely reinvested. Income taxes have also been provided for potential tax assessments and the related tax accruals are in the condensed consolidated balance sheets. To the extent tax accruals differ from actual payments or assessments, the accruals will be adjusted.

Results of Operations

Set forth below is a summary of operating revenues and expenses, certain income statement items expressed as a percentage of revenues, average screen count and revenues per average screen for the three most recent years ended December 31, 2001, 2002 and 2003 and for the three months ended March 31, 2003 and 2004.

	Year Ended December 31,			Three Months Ended March 31,	
	2001	2002	2003	2003	2004
				(Unaudited)	
Operating Data (in millions)(1):					
Revenues:					
Admissions	$ 548.9	$ 595.3	$ 597.5	$ 127.7	$ 149.7
Concession	257.6	291.8	300.6	63.9	73.3
Other	47.2	48.8	52.8	10.9	12.1
Total revenues	$ 853.7	$ 935.9	$ 950.9	$ 202.5	$ 235.1
Cost of operations:					
Film rentals and advertising	$ 295.0	$ 320.7	$ 324.9	$ 66.9	$ 79.0
Concession supplies	44.9	50.4	49.6	9.8	12.1
Salaries and wages	90.8	96.7	97.2	22.3	24.3
Facility lease expense	114.7	115.6	119.5	28.5	31.1
Utilities and other	101.3	103.2	110.8	25.0	26.6
Total cost of operations	$ 646.7	$ 686.6	$ 702.0	$ 152.5	$ 173.1
Operating data as a percentage of total revenues(1):					
Revenues:					
Admissions	64.3%	63.6%	62.8%	63.1%	63.7%
Concession	30.2	31.2	31.6	31.6	31.2%
Other	5.5	5.2	5.6	5.3	5.1%
Total revenues	100.0	100.0	100.0	100.0	100.0%
Cost of operations:					
Film rentals and advertising(2)	53.7	53.9	54.4	52.4	52.8
Concession supplies(2)	17.4	17.3	16.5	15.3	16.5
Salaries and wages	10.6	10.3	10.2	11.0	10.3
Facility lease expense	13.4	12.4	12.6	14.1	13.2
Utilities and other	11.9	11.0	11.7	12.3	11.3
Total cost of operations	75.8	73.4	73.8	75.3	73.6
Average screen count (month end average)	2,954	2,998	3,027	3,009	3,118
Revenues per average screen	$288,961	$312,183	$314,178	$67,295	$75,417

(1) Certain reclassifications have been made to the 2001, 2002 and 2003 financial statements to conform to the 2004 presentation.

(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.

Comparison of Three Months Ended March 31, 2004 and March 31, 2003

Revenues. Revenues for the three month period ended March 31, 2004 increased to $235.1 million from $202.5 million for the three month period ended March 31, 2003, representing a 16.1% increase. Attendance increased 10.9% from 38.0 million patrons for the first quarter of 2003 to 42.1 million patrons for the first quarter of 2004. The increase in attendance and revenues for the first quarter of 2004 is primarily due to quality film product, including the first quarter release of the blockbuster *The Passion of the Christ,* which has exceeded the $300 million level in U.S. box office receipts. Our average ticket price was $3.55 for the first quarter of 2004 compared to $3.36 for the first quarter of 2003, an increase of 5.7%. Concession revenues per patron was $1.74 for the first quarter of 2004 compared to $1.68 for the first quarter of 2003, an increase of 3.4%. Revenues per screen increased 12.1% to $75,417 for the first quarter of 2004 from $67,295 for the first quarter of 2003.

Cost of Operations. Cost of operations, as a percentage of revenues, decreased to 73.6% for the first quarter of 2004 from 75.3% for the first quarter of 2003. The decrease, as a percentage of revenues, was primarily due to the 16.1% increase in revenues and our ability to effectively control our theatre operating costs, many of which are primarily fixed in nature, such as salaries and wages, facility lease expense and utilities and other costs.

Film rentals and advertising costs increased to 52.8% of admissions revenues for the first quarter of 2004 from 52.4% for the first quarter of 2003, primarily related to stronger film product during the first quarter of 2004. Concession supplies increased to 16.5% of concession revenues for the first quarter of 2004 from 15.3% for the first quarter of 2003, primarily related to increased costs on certain concession products.

Salaries and wages increased to $24.3 million for the first quarter of 2004 from $22.3 million for the first quarter of 2003 due to the increase in attendance. Facility lease expense increased to $31.1 million for the first quarter of 2004 from $28.5 million for the first quarter of 2003 primarily due to new theatre openings and increased percentage rent expense. Utilities and other costs increased to $26.6 million for the first quarter of 2004 from $25.1 million for the first quarter of 2003 primarily due to increased utility rates in certain regions in which we operate.

General and Administrative Expenses. General and administrative expenses increased to $11.9 million for the first quarter of 2004 from $9.4 million for the first quarter of 2003. The increase was due to a $1.2 million increase in corporate salaries and benefits including incentive bonus expense, a $0.8 million increase in international overhead expenses, a $0.3 million increase in professional fees and a $0.2 million increase in credit card and bank service charges.

Depreciation and Amortization. Depreciation and amortization expense was $16.9 million for the first quarter of 2004 compared to $16.0 million for the first quarter of 2003. The increase is primarily due to an increase in our asset base since the first quarter of 2003 due to new theatre development.

Asset Impairment Loss. During the first quarter of 2004, we wrote down the long-lived assets of one theatre located in the U.S. to estimated fair value, which resulted in an asset impairment charge of $1.0 million.

Interest Expense. Interest costs incurred, which includes amortization of debt issue costs, was $12.6 million for the first quarter of 2004 compared to $13.9 million for the first quarter of 2003.

Loss on Early Retirement of Debt. During the first quarter of 2003, we recorded a loss on early retirement of debt of $1.6 million which represented the write-off of unamortized debt issue costs associated with the retirement of certain debt agreements, including our then existing credit facility.

Income Taxes. Income tax expense of $7.9 million was recorded for the first quarter of 2004 compared to income tax expense of $3.9 million recorded for the first quarter of 2003. Our effective tax rate for the first quarter of 2004 was 40.8% compared to 40.7% for the first quarter of 2003.

Loss from Discontinued Operations. We recorded a loss from discontinued operations, net of income tax benefit, of $1.8 million during the first quarter of 2004 and $0.3 million during the first quarter of 2003.

The losses recorded for both periods reflect results of operations for our two United Kingdom theatres for the respective periods. Included in the loss recorded during the first quarter of 2004, is a loss on assets held for sale of $1.8 million recorded to write down these theatres to their estimated fair market value less costs to sell, in accordance with SFAS No. 144, *Accounting for Impairment or Disposal of Long-Lived Assets*. See Note 4 to the condensed consolidated financial statements.

Comparison of Years Ended December 31, 2003 and December 31, 2002

Revenues. Revenues for 2003 increased 1.6% to $950.9 million from $935.9 million in 2002. The increase in revenues is attributable to a 0.6% increase in attendance and a 2.4% increase in concession revenues per patron. Attendance for 2003 was 173.1 million compared to 172.1 million for 2002. Concession revenues per patron were $1.74 for 2003 compared to $1.70 for 2002. The increase in concession revenues per patron is primarily a result of the successful implementation of a domestic concession price increase during the fourth quarter of 2002. Average ticket prices for 2003 were consistent with 2002. Revenues per average screen increased 0.6% to $314,178 for 2003 from $312,183 for 2002.

Cost of Operations. Cost of operations, as a percentage of revenues, increased to 73.8% in 2003 from 73.4% in 2002. Film rentals and advertising increased to 54.4% of admissions revenues for 2003 from 53.9% for 2002. The increase is due to increased film rental costs and promotional activities during 2003. Facility lease expense increased to 12.6% of revenues for 2003 from 12.4% for 2002. Utilities and other costs increased to 11.7% of revenues for 2003 from 11.0% for 2002, primarily due to increased utility costs, insurance and repairs and maintenance expense. Concession supplies decreased to 16.5% of concession revenues for 2003 from 17.3% for 2002, primarily as a result of the successful implementation of a domestic concession price increase during the fourth quarter of 2002. Salaries and wages decreased to 10.2% of revenues for 2003 from 10.3% for 2002.

General and Administrative Expenses. General and administrative expenses, as a percentage of revenues, decreased to 4.7% in 2003 from 5.1% in 2002. General and administrative expenses decreased to $44.3 million for 2003 from $48.0 million for 2002. The decrease is primarily related to the write-off of $3.1 million of legal, accounting and other professional fees and costs in 2002, associated with our proposed initial public offering which was subsequently postponed due to unfavorable market conditions.

Depreciation and Amortization. Depreciation and amortization decreased to $65.1 million in 2003 from $66.6 million in 2002. Depreciation and amortization as a percentage of revenues decreased to 6.8% in 2003 from 7.1% in 2002.

Asset Impairment Loss. We recorded asset impairment charges on assets held and used of $5.0 million in 2003 and $3.9 million in 2002, as follows:

	Years Ended December 31,	
	2003	**2002**
Mexico	$1.2	$
U.S.	3.0	1.8
Chile	0.7	1.3
Other	0.1	0.8
Total	$5.0	$3.9

Gain/loss on Sale of Assets and Other. We recorded a gain on sale of assets and other of $1.2 million in 2003 compared to a loss on sale of assets and other of $0.5 million in 2002.

Interest Expense. Interest costs incurred, including amortization of debt issue cost, decreased 6.2% to $54.2 million in 2003 from $57.8 million in 2002. The decrease in interest costs incurred during 2003 was primarily due to a decrease in average debt outstanding during the year under our long-term debt facilities.

Foreign Currency Exchange Loss. We recorded a foreign currency exchange loss of $0.2 million in 2003 compared to a foreign currency exchange loss of $5.1 million in 2002. The loss recorded during 2002 was due to the translation of Cinemark Brasil S.A. s assets and liabilities denominated in other than local currency and the devaluation of the real during 2002.

Loss on Early Retirement of Debt. We recorded a loss on early retirement of debt of $7.5 million during 2003 that included a $1.6 million loss resulting from the write-off of unamortized debt issue costs associated with the retirement of our then existing credit facility and the Cinema Properties Facility that occurred during the first quarter of 2003, a $5.6 million loss resulting from the write-off of unamortized debt issue costs, unamortized bond premiums/ discounts and tender offer repurchase costs associated with the tender offer to repurchase and subsequent retirement of approximately $233 million principal amount of outstanding 9 5/8% Senior Subordinated Notes due 2008, or the 9 5/8% senior subordinated notes, that occurred during the second quarter of 2003 and a $0.3 million loss resulting from the write-off of unamortized debt issue costs, unamortized bond premiums/discounts and other fees associated with the redemption of the remaining $42 million principal amount of the 9 5/8% senior subordinated notes that occurred during the third quarter of 2003.

Income Taxes. Income tax expense of $25.2 million was recorded in 2003 compared to income tax expense of $29.2 million in 2002. Our effective tax rate for 2003 was 34.6% as compared to 41.9% in 2002. The change in the effective tax rate is primarily due to a decrease in foreign losses not offset by a valuation allowance.

Loss from Discontinued Operations. We recorded a loss from discontinued operations, net of taxes, of $2.9 million for 2003 and $1.7 million for 2002, both of which represent the results of operations for our two United Kingdom theatres for the respective periods. Included in the loss recorded in 2003 is an asset impairment loss of $2.5 million recorded to write down one of these theatres to estimated fair value.

Comparison of Years Ended December 31, 2002 and December 31, 2001

Revenues. Revenues in 2002 increased to $935.9 million from $853.7 million in 2001, a 9.6% increase. The increase in revenues is primarily attributable to an 11.8% increase in attendance resulting from stronger film product in 2002. Revenues per average screen increased 8.0% to $312,183 for 2002 from $288,961 for 2001.

Cost of Operations. Cost of operations, as a percentage of revenues, decreased to 73.4% in 2002 from 75.8% in 2001. The decrease is primarily related to the 9.6% increase in revenues and our ability to effectively control our theatre operating costs (some of which are of a fixed nature). The decrease as a percentage of revenues resulted from a decrease in facility lease expense as a percentage of revenues to 12.4% in 2002 from 13.4% in 2001, a decrease in utilities and other costs as a percentage of revenues to 11.0% in 2002 from 11.9% in 2001, a decrease in salaries and wages as a percentage of revenues to 10.3% in 2002 from 10.6% in 2001, a decrease in concession supplies as a percentage of concession revenues to 17.3% in 2002 from 17.4% in 2001, partially offset by an increase in film rentals and advertising as a percentage of admissions revenues to 53.9% in 2002 from 53.7% in 2001 as a result of stronger film product in 2002.

General and Administrative Expenses. General and administrative expenses, as a percentage of revenues, increased to 5.1% in 2002 from 5.0% in 2001. General and administrative expenses increased to $48.0 million for 2002 from $42.6 million for 2001. The increase is primarily related to the write-off of $3.1 million of legal, accounting and other professional fees and costs associated with our proposed initial public offering which was subsequently postponed due to unfavorable market conditions.

Depreciation and Amortization. Depreciation and amortization decreased to $66.6 million in 2002 from $73.1 million in 2001. Depreciation and amortization as a percentage of revenues decreased to 7.1% in 2002 from 8.6% in 2001. The decrease is partially related to the January 1, 2002 adoption of Statement of Financial Accounting Standards (SFAS) No. 142 which required that goodwill and other intangible assets with indefinite useful lives no longer be amortized. The decrease is also related to a reduction in the depreciable basis of properties and equipment resulting from the devaluation in foreign currencies (primarily in Argentina, Mexico and Brazil) and the decline in new construction.

Asset Impairment Loss. We recorded asset impairment charges on assets held and used of $3.9 million in 2002 and $20.7 million in 2001, as follows:

	Years Ended December 31,	
	2002	**2001**
U.S.	$1.8	$19.0
Brazil		1.7
Chile	1.3	
Other	0.8	
Total	$3.9	$20.7

Loss on Sale of Assets and Other. We recorded a loss on sale of assets and other of $0.5 million in 2002 and $12.4 million in 2001. Included in loss on sale of assets and other in 2001 is a charge of $7.2 million to write down one property to be disposed of in the U.S. to fair value and a charge of $1.5 million to write down one property to be disposed of in Argentina to fair value.

Interest Expense. Interest costs incurred, including amortization of debt issue cost, decreased 18.5% to $57.8 million in 2002 from $70.9 million in 2001. The decrease in interest costs incurred during 2002 was due principally to a decrease in average debt outstanding under our then existing credit facility and the lower interest rates on our variable rate debt facilities.

Income Taxes (Benefit). Income tax expense of $29.2 million was recorded in 2002 as compared to an income tax benefit of $14.1 million in 2001. Our effective tax rate for 2002 was 41.9% as compared to 80.3% in 2001. The change in the effective tax rate is mainly due to the recognition of the Mexico deferred tax asset in 2001.

Loss from Discontinued Operations. We recorded a loss from discontinued operations, net of taxes, of $1.7 million for 2002 and $0.6 million for 2001, both of which represent the results of operations for our United Kingdom theatres for the respective periods.

Liquidity and Capital Resources

Operating Activities. We primarily collect our revenues in cash, mainly through box office receipts and the sale of concession supplies. We are expanding the number of theatres that provide the patron a choice of using a credit card, in place of cash, which we convert to cash in approximately three to four 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. We typically operate with a negative working capital position for our ongoing theatre operations throughout the year, primarily because of the lack of significant inventory and accounts receivable. Cash provided by (used for) operating activities, as reflected in the consolidated statement of cash flows, amounted to $87.1 million, $150.1 million and $135.5 million in 2001, 2002 and 2003, respectively, and $10.0 million and ($15.6) million for the three months ended March 31, 2004 and March 31, 2003, respectively. The increase in cash provided by operating activities in 2004 is primarily due to the timing of payment of accounts payable and accrued expenses.

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, as reflected in the consolidated statements of cash flows, amounted to $33.8 million, $34.7 million and $47.2 million in 2001, 2002 and 2003, respectively, and $16.2 million and $7.1 million for the three months ended March 31, 2004 and March 31, 2003, respectively.

We are continuing to expand our U.S. theatre circuit. We opened three new theatres with 33 screens during the three month period ended March 31, 2004. At March 31, 2004, we had signed commitments to open nine new theatres with 108 screens and add four screens to two existing theatres by the end of 2004 and signed commitments to open six new theatres with 63 screens thereafter. We estimate the remaining capital expenditures for the development of these 175 screens will be approximately $55 million. Actual expenditures for continued theatre development and acquisitions are subject to change based upon the availability of attractive opportunities.

We are continuing to expand our international theatre circuit. At March 31, 2004, we had signed commitments to open five new theatres with 35 screens in international markets by the end of 2004 and signed commitments to open five new theatres with 44 screens in international markets thereafter. We estimate the remaining capital expenditures for the development of these 79 screens in international markets will be approximately $42 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 from cash flow from operations, borrowings under our senior secured credit facility, subordinated note borrowings, proceeds from sale leaseback transactions and/or sales of excess real estate. Additionally, we may from time to time, subject to compliance with our debt instruments, purchase on the open market or call our debt securities depending upon the availability and prices of such securities.

Financing Activities. Cash provided by (used for) financing activities, as reflected in the consolidated statement of cash flows, amounted to ($21.5) million, ($96.1) million and ($45.7) million in 2001, 2002 and 2003, respectively and $347.1 million and $1.5 million for the three month period ended March 31, 2004 and March 31, 2003, respectively. The increase in cash provided by financing activities in 2004 is a result of the issuance of 9 3/4% senior discount notes on March 31, 2004, which resulted in gross proceeds to us in the amount of $360,000,115.

As of March 31, 2004, our long-term debt obligations, capital lease obligations, future minimum lease obligations under non-cancelable operating leases, outstanding letters of credit, obligations under employment agreements and purchase obligations for each period indicated are summarized as follows:

	Payments Due by Period				
Contractual Obligations	**Total**	**Less Than 1 Year**	**1 3 Years**	**4 5 Years**	**After 5 Years**
			(In millions)		
Long-term debt(1)	$1,233.4	$ 6.6	$ 10.5	$265.3	$ 951.0
Operating lease obligations	1,467.7	106.8	219.4	214.3	927.2
Letters of Credit	0.1	0.1			
Employment Agreements	8.4	2.8	5.6		
Purchase obligations(2)	101.3	51.1	49.9	0.3	
Total Contractual Obligations	$2,810.9	$167.4	$285.4	$479.9	$1,878.2