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PRESENTATION

Mark Zoradi - *Cinemark Holdings Inc - CEO*

Good morning, everyone. I thought what we'd do this morning, a little bit different then what we've done in the past, but we're kind of going on a tradition of having an investor breakfast here and I think it's one that's really good here at CinemaCon.

We try not to do too many individual meetings, but we try and have the opportunity for you to be able to speak to management all at one time. And this morning we're going to something different, we're going to put four of us up here and I would like to start by just introducing some of the team that's here.

I would like first and foremost would like to start with our Founder and Executive Chairman, Mr. Lee Roy Mitchell right here. For those that know him, I'm sure that he's a legend in his business and more than any other single person, he is responsible for Cinemark and all that we are today.

In addition to myself, most know Sean Gamble. Sean has a significant background in General Electric, he was the CFO at Universal Pictures and now he's the CFO for Cinemark, which we're really pleased and I know you get to see him as we go on the road.

Next to Sean is Phillip Couch. Phillip Couch is our Executive Vice-President of Food and Beverage. If there's a detail in question about food and beverage, Phillip will be here to be able to answer that. I think that's kind of fun for you in that you're going to be able to talk to some other management other than just Sean, myself, and Chanda.

Back there, came Valmir Fernandes. Valmir is the President of International. He has been with Cinemark for 20 plus years. Prior to moving up to Dallas, Texas, he was our general manager in Brazil, he knows Latin America very, very well. So, again, we get so many questions about Latin America, we thought it might be interesting to put Valmir up here up on the panel with us as well.

We've also got Tom Owens. Tom is our executive vice-president of real estate. Tom wears a lot of hats in this company, but the single most important thing he does is he identifies real estate, he negotiates all the leases, he's out looking for small M&A acquisitions for us as well, but he's critical because it really all starts with real estate and what those deals look like.

And then of course you have Chanda Brashears, our VP IR. You all know Chanda Brashears.

And I also see Mike Cavalier back here. Mike is a long-time Cinemark executive. He's our general counsel, but he's also our cheap business officer and Mike is incredibly important to everything that happens in this company because just about everything in one way or another runs through his office.

So, we thought what we'd do this morning is we prepared a short video for you to kind of kick it off. And so, while you're finishing up your breakfast, let's hit the lights a little bit and show this video please.

(Video Presentation)

Mark Zoradi - *Cinemark Holdings Inc - CEO*

Great, well I hope you enjoyed that. And it was entertaining, I hope it was a little bit more informative. And I just want to kick off after that video with just a thank you for all the support that so many of you show us as investors.

We try each and every week to earn that support and re-earn it, and it's in that consistency of results. So, we thought that we would start with just a couple of what I'm going to call "table setting slides". This is not a full-on presentation, I want to actually get through these relatively quickly to give you the opportunity to speak to the executives that are here.

So, I thought we'd just start with why Cinemark? Well as most of you know, we have a very experienced management team with a great depth. We're committed to operational excellence, both in our execution and our cost control and also with our customer service.

We have a tremendous emphasis on attendance.

But I'd say attendance is the locomotive that drives our business and it truly is because if you don't have attendance, then nothing else is going to work there. And it's just to put that into perspective for you.

When you look at what happened at the box office this year. The box office was up, but the industry attendance was actually down 0.41% except at Cinemark.

We are up 1.7% in our attendance within the North American industry and over the last five years, our attendance has grown by 15%. So, we put a real premium on that. We don't -- we don't necessarily want to be the price leader, we want to be the attendance leader because it drives through everything we do.

Also, we really focus on the guest experience. This is the lens by which the management team decides where to go spend our money. Obviously, we're looking at accretive and EBITDA generating initiatives, but we're really look and say, is it going to improve the guest experience?

Therefore, all the initiatives we're doing in food and beverage, all the initiatives we're doing upgrading our theaters, all the initiatives we're doing in receiving so many of our theaters. Sustained investment, I'm going to -- I'm going to hold off on that for just a second, because I've got a full slide on that.

Diversified circuit, we're very pleased to be in 16 countries, the United States of course where we have -- where we have 41 states and 102 DMA's and in 15 Latin American countries. That can help us sometimes as certain countries are doing well, certain countries aren't, it's nice to have that diversification.

And then finally long term growth. Long term growth in our Latin America markets are critical to us. One statistic that I like to point out is in the United States. There are approximately 8,000 people for every screen. In Mexico, there's approximately 20,000 people per screen. In Brazil, there is 67,000 people per screen.

What does that mean? That means we have the ability to grow the Latin America market, especially Brazil and Chile and Columbia. Now, I don't think it's ever going to get the U.S.' 8,000, but I think we can get a lot closer to 20,000 per screen.

So, Valmir and the teams down there are probably in the middle inning as it relates to growth. Currently, we have 1,345 screens in Latin America, and 560 of those have been added since 2011. So, it is a very good growth story.

And what does this lead to, this leads to consistent financial results, and over indexing the U.S. box office in 28 of the past 32 quarters and it leads to the highest adjusted EBITDA margin among all the majors, currently at 24.2%.

I think what the story that we want to get to you are those three things. Consistent financial results, over indexing the U.S. industry, and consistently high EBITDA margins. So, when you think of Cinemark -- if you don't take anything else away from it, I'd ask that you try and just think of those three things.

This leads us to 2017 and how we're going to continue this, and what kind of objectives do we have? Number one, the luxury lounges. Just quickly on this, we ended 2016 at about 23% of our domestic circuit reclined.

We're going to end this calendar year over 40%, nearly 1900 screens. So, nearly 40 -- excuse me, it will be 40%, it might be even slightly over. So, 40% of our screens within the U.S. will be reclined by this year and there are multiple benefits to that. Increased attendance, a higher growth of per cap, some pricing power and reserved ticket fees is very, very important.

Expanded food and beverage: we are activating alcohol significantly, at the end of last year we had 20%. By the end of this year, we will be at 35%. Expanded food -- or expanded food offerings: at the end of last year it was at 50%, we'll be at 60% by the end of this year.

Our commitment to XD: XD, we have 225 XD auditoriums, it's the largest -- we're the largest PLF provider in the industry. These are extremely important theaters to us, they represent about 3.5% of our screens and they generate about 7.5% of the box office. We don't have to share that revenue with any third party other than of course the studios.

Loyalty, we just launched connections in this country. We add to that our loyalty programs throughout Latin America and we have about 2.5 million members within our loyalty programs. We expect those to grow significantly through the balance of this year and into next year.

And finally, employee training: Mr. Mitchell long ago said, "We're not just in the theater business, we are in the people business" and that culture that he established, we've tried to continue on. Truly we've spend a lot of time thinking and working with our employees because we truly know if we get the employee part right, the employees will get the guest part right.

Shifting for just a second into our sustained investment, as you know, we've spent a significant amount of money in our core -- in our core circuit. We spend approximately $80 million just making sure that every -- you go into a Cinemark theater and there's consistency with how good it looks. Nothing needs to be replaced, it's a very, very positive experience and we've been rewarded with that.

Organic growth: Organic growth -- we're in the U.S., we're looking to grow about 1% per year in terms of new theaters and approximately 5 to 6% throughout Latin America. M&A, we're always on the lookout for an accretive acquisition. The last one we did was just a small tuck in last year.

We don't have anything currently on the horizon but we are looking both within this country and Latin America. Our strategy is to go deeper into the territories we're in as opposed to going wider around the world.

And productivity improvement: constantly looking for that, a couple of key things we're doing right now, replacing many of our HVAC so that they're much more efficient, adding solar to many of our theaters to help with electricity costs and rolling out a whole new kiosk plan which eventually will be able to help us reduce costs at the box office.

From an international standpoint, many of you ask about international all the time, it's why we're going to have Valmir up here with us. I talked a little bit about the long-term growth potential in international, so I don't need to say anything more about that.

But strong attendance per screen. In the U.S., we have approximately 40,000 people who come to each one of our screens. In Latin America because of the density of the population, smaller number of screens per theater, we have double that. 80,000 people per screen are coming to our Latin American theaters.

In terms -- in terms of -- in terms of currency adjusted EBITA. Over the last couple of years, some of the substantial foreign exchange headwinds have overshadowed some of these strong results, but if you look at a currency -- if you look at currency adjusted revenue and EBITA, we've experienced double digit growth in Latin America over the last two years and it's been very, very good. Even in the midst of some of the -- of some of the headwinds that we've had.

From a foreign exchange standpoint, we've improved -- based on the discussions we've had with both regional and local level economists, we believe that we're actually going to have modest to slightly positive tailwinds for 2017. So, we believe that's turned around for us and we're looking forward to that.

From a local content standpoint, somewhere between 10 and 15% of our business in Latin America comes from local content. That's very important, because it helps supplement and even out the peaks and valleys of any domestic lineups.

And finally, we are in a recession resistant industry. I know we've said that over and over to you, but I thought just one chart might be helpful to highlight this. This chart demonstrates that with the unemployment rising significantly over the past several years in Brazil -- in fact the unemployment rising from 7% up to 13%, the industry attendance in Brazil actually grew by 25%.

So, in the midst of one of the most challenging economic and political environments in the country of Brazil, we saw a 25% growth in attendance. So, that's kind of our -- that's kind of the highlights, what I'll call the table setting for you to be able to ask any questions that you would like. And so, if I could ask, please, Sean and Valmir to come on up.

Mark Zoradi - *Cinemark Holdings Inc - CEO*

And please feel free to ask any questions and we'll move from here.

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QUESTIONS AND ANSWERS

Michael Pachter - *Wedbush - Analyst*

Michael Pachter with Wedbush. I know that it's Cinemark DNA have your own premium large format screen. You, Mark, come from a studio background and the studios seem to very much like the IMAX experience.

Do you think there's a potential with you as now CEO for Cinemark to reconsider its progress with IMAX and perhaps put in some IMAX screens as fill-ins? Because it appears to me you're missing out on consumers who actually want an IMAX experience who otherwise would go to a Cinemark theater. I'm just curious what you think.

Mark Zoradi - *Cinemark Holdings Inc - CEO*

We have 15 IMAX screens, so it's not that we don't, and we very much appreciate IMAX and those that we have do well. But, what we like about the XD screens is we invested in capital, it gives us complete flexibility and control on how to schedule that, and we don't have to share the upcharge with any third-party provider.

We're also planning a very significant XD marketing brand campaign so I wouldn't -- I wouldn't rule it out that we wouldn't have more IMAX, but at this point our primary commitment is to our XD strategy because it's proven to be very, very accretive to our bottom line.

Sean Gamble - *Cinemark Holdings Inc - CFO*

I would say too there have been third parties who've kind of analyzed the quality of these in certain markets and our XD's have competed neck and neck. So, part of the campaign is just to broaden that awareness to the consumer base so that they understand the proposition that it offers.

Valmir Fernandes - *Cinemark Holdings Inc - President, International*

And if I may, in Latin America they don't have a great footprint and we have 85 XD screens where they have around 20 all over the regions. So, we are the dominant player in this field in Latin America.

Barton Crockett - *FBR Capital - Analyst*

I wanted to come out at the premium VOD, and I guess in this way--

Mark Zoradi - *Cinemark Holdings Inc - CEO*

I'm surprised it's the second question instead of the first question.

Barton Crockett - *FBR Capital - Analyst*

They didn't call me first. But here's the way I want to come at it. So I think all of us are aware of the history within this room. That all the past attempts at doing this have not worked, and large movie theaters have boycotted arrangements that they haven't liked.

But, what I'm wondering about is it seems like there's a lot of requirements that the theaters have, and it's not clear to me that you can get the studios to sign off on that. The duration of the contract, the economic kind of benefits being shared, it seems like there's a lot of people in the room to negotiate, a lot of things that you wanted in an area that's very uncertain. It's not clear to me that you guys can come to an agreement.

And so, I'm just wondering, if that happens, that there's not an agreement, what do you think is the risk to the theaters of the studios acting in consort to impose windows? So, I understand you'll succeed if you boycott one movie from one studio, but if they have four or five of the majors like Disney, saying here's our release pattern, take it or leave it. Wouldn't you have to take it?

Mark Zoradi - *Cinemark Holdings Inc - CEO*

Barton, let me start by saying -- and I think you all can appreciate this -- we have taken, which I think is the right approach, to not negotiate or utilize any public forums like this, or with print or online to really talk in any significant way about discussions or negotiations with studios over windows.

I think that is something that has to happen in the -- in the privacy of an individual negotiation. I'm really not going to say anything of substance relative to those discussions.

In regards to studios gathering together, I think it's very clear that studios need to act independently, that's the law - and I assume they will. It's the same way that exhibitors need to act independently. So if in fact a studio comes and acts in a unilateral way, then we'll make a decision on how to react. But, I can't deal with a speculation of, what if this and what if that.

And I think the only thing that really is the most that we can say about this is that we are discussing this with studios, our interest is to see an increase in the overall pie, and for it not to be detrimental to the exhibition industry. Right now, the exhibition industry on a worldwide basis, the theatrical business on a worldwide basis represents approximately 50% of the revenue of a major motion picture. And the studios realize that, they know how important that is.

They also know that we are truly the locomotive in the launching platform for not just theatrical, which is 50%, but the ancillary markets, which follow. Some are directly tied, like paid T.V., and some are correlated relative to VOD and PVOD.

So, the studios realize that the theatrical business has never been stronger, there's the last four to five years have been record years, we're going to end the first quarter somewhere around 4.5% in terms of -- in terms of increase box office from the year before, so I think they're going to be careful in dealing with.

Because right now, they're earning more per capita in the theatrical business, 50% of the revenue and it affects their downside markets. So, the discussions are fair and equitable, and if in fact we agree on something, it will only be something that will also be mutually beneficial to exhibition as well as to distribution.

Barton Crockett - *FBR Capital - Analyst*

If I could follow up, I'm very aware of your sensitivities about not negotiating publicly. But there have been you know -- Wall Street Journal articles basically portraying this is inevitable, that it will happen, and seemingly in the relatively near future. Can you give us your sense of how inevitable meaningful change is and what the timeframe is, do you think it's highly likely, who knows, is there any kind of logic you could put into this?

Mark Zoradi - *Cinemark Holdings Inc - CEO*

I go back a long way in the windows business, because I spent 30 years at Disney. And the studios created the windows, and they created the windows because they're really good for their business.

One time the windows were nine months and six months, four months and three months, and right now it just feels like that is a reasonable timeframe. Whether or not that is going to change and go further, I'm not going to speculate on.

But, the only thing that I'm certain of is that the exhibition business is critically important to that motion picture asset that any one of the companies make. And they clearly don't want to mess up the highest per cap and 50% of their revenue.

So, we will have active discussions with them, we'll get into negotiations when it's appropriate, and we'll come and talk to you as soon as they're completed. But I'm going to hold back from making any more comments on that in a public forum.

Chad Beynon - *MacQuarie - Analyst*

Thanks. Chad Beynon from Macquarie. With respect back to attendance and market share in the U.S., are you starting to see your competitors spend more on the luxury loungers, the F&B on the alcohol, or are you just not seeing that and can see the confidence to continue to drive share?

And I guess out of those amenities that you're doing and some of your competitors are doing, what is really the one thing that could potentially steer market share, if it sprouts up next to you? Thanks.

Mark Zoradi - *Cinemark Holdings Inc - CEO*

I'll take that, Sean, you may want to add some color to it. I don't think that our competitors are necessarily spending more money than us, I mean when you look and see how aggressive we were during 2016 and also 2017.

We added about 650 screens reclined during 2016, and it looks like we're going to be north of 800, maybe north of 850 for 2017 to get to that 40% share. So, I think we've actually been potentially more aggressive during '16 and '17 than some of our competitors.

And we're doing it because it's paying off. I mean, Sean is fanatical in making sure that we do the proper analysis and making sure that wherever we decide to recline, we truly believe we're going to get the kind of -- the absolute minimum return we want, which is 20%. And so far, we've been seeing that plus, between attendance and the four things that I mentioned before.

Sean Gamble - *Cinemark Holdings Inc - CFO*

I would just say, we need to talk about the kind of wider industry, you know. From our assessment, it's probably about 15% or so of overall industry has been reclined to date. So, it still is a fairly low percentage.

As Mark was just saying, we're very pragmatic about how we're approaching this and that when we see that there is opportunity, we're going after it, but we're not necessarily throwing out -- we aim to get to this percentage, because we don't know exactly where that is yet, it's going to be a theater by theater, market by market assessment as we continue to go forward.

Mark Zoradi - *Cinemark Holdings Inc - CEO*

I think there's one other thing that I would add, and I like to say this. Weren't not going to let ourselves get in front of our skis. Right now, it was the right thing to do in '16, and we're reaping the benefits to be as aggressive as we were. And I think it's the right thing to do what we're doing in '17.

But, potentially in '18 we're going to let up on that gas pedal a little bit because obviously, you take your easiest and your lowest hanging fruit in the beginning, and all of these investments have turned out to be very, very successful.

And I think the second part of your question, which I didn't answer was what hurts you the most? Clearly what hurts us the most is when competition comes very close to us, and we define competition not only as new theaters, but we define competition in the whole family entertainment area. So clearly all the home environment is competition, all family entertainment centers are competition, it's -- we're competing with consumers, recreational dollars, and time.

Eric Handler - *MKM Partners - Analyst*

So, consumers are clearly responding positively to the premium or upscale amenities with the recliners, with alcohol, what enhanced concessions. Over the next couple years, we're going to at least -- at least among the big three, we're going to see 50% to 2/3 of the screens upgraded.

And, that's now going to become the baseline. How are you thinking or are you thinking -- or are you already thinking about what's the next way to improve the consumer experience, and maybe you could talk about some of those areas where you think you can continue to do that?

Mark Zoradi - *Cinemark Holdings Inc - CEO*

One area that I'd like to say be one that the chairs and all that we're doing there, when we go in we don't just go in and replace the chairs. Many times, there are whole lobby renovations that take place, we might add gaming to it.

In the future we might add some in theater VR or in-lobby VR, and I actually would like to throw just a little bit into this to Phillip Couch, because Phillip has got a whole series of initiatives to really drive our food and beverage business.

Phillip Couch - *Cinemark Holdings Inc - EVP Food & Beverage*

Yes so moving forward, as we are looking for those opportunities to continue the growth to sustain it, there is a plethora if you will, of opportunity that we see. So, whether it's the food as far as the enhanced foods, the restaurant, the bar concept, serving to seats, there's a variety of concepts that we're currently not doing that we have opportunity to continue to enhance, as we change the environment of the movie experience inside the auditoriums.

We're looking at how we change that on the outside. You drive by a restaurant these days, the parking lots are full, you wonder what's going on with the economy. People say we're in a bad time, and people love to eat out and they love to go have beverages.

So, it's part of that experience we know is critical to what we're doing within the theater, and we see plenty of opportunity to continue to enhance that on our side, to make that guest experience even better.

Sean Gamble - *Cinemark Holdings Inc - CFO*

I think you can categorize almost the efforts into additional things we're looking at while you're watching the movie. Like the seats was one thing. I think even the seats will probably continue to evolve a bit.

But like the screen, the whole experience, while watching, but then also how do you extend that beyond back into other things that you may do before or after the film and how you may use your real estate more widely for incremental monetization opportunities.

Eric Handler - *MKM Partners - Analyst*

Great, and just as a follow up on the concession items, now that your patrons are seeing a broader range of items, what are some of the more requested items that people are now asking for, and how realistic are some of those items?

Mark Zoradi - *Cinemark Holdings Inc - CEO*

Phillip, why don't you grab that and also maybe talk about what we do regionally and how we --

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Phillip Couch - *Cinemark Holdings Inc - EVP Food & Beverage*

So, the interesting thing is through the lane dividers in creating more convenience and expansion of product availability, because consumers love choice. And so, we're focused very heavily on creating as much opportunity to give that choice. In terms of what they're asking for, what's interesting is we talk so much about everything that's going on in new.

The enhanced food, the alcohol, we're still seeing very solid growth in our core products, our core business. We're finding that if you continue to focus on your core, there's still a lot of growth there. We're not seeing a let up, we're not seeing big capitalization of that forward, but we're still seeing growth.

On the use side, we see things from a multicultural perspective, really regionalization of products that -- it's the right product, it's the right item in the right place. So, we think there's a whole bit of work to be done to be able to offer on a local scale what people are interested in, because consumer preferences do vary market to market.

There is not a one size fits all. All of that deep dive is harder work for us, but there's significant payoff associated with it. In terms of the specific things we're asking for, it varies tremendously by market, and it's not a particular thing.

What we're finding though is they are responding very much to value propositions to various package mix of items. It's freshness, it's not getting stale, you're keeping the pipeline full and giving them new things, when they come in all the time. So, it's about innovation in a lot of different categories.

Robert Fishman - *MoffettNathanson - Analyst*

Good morning. I'm curious, given the aggressive ramp in recliners and upgrading the lobbies and everything, how is your conversation changing with the landlord in terms of thinking about the different possibilities of having them contribute, and how have you guys changed your thinking on that?

Mark Zoradi - *Cinemark Holdings Inc - CEO*

Let me take just the beginning part of that, and then I'm going to through it over to Tom Owens who's heads up our real estate. We evaluate each deal uniquely as they come. And we have a relatively lower cost to capital with a very strong balance sheet as you know.

So, to the extent that the deal that's being offered by a landlord is not as good as we could do ourselves, then we'll finance it ourselves, but there are occasions where a landlord will be willing to pay something or contribute something that doesn't have a whole lot of strings attached. And then we'll join into that -- into that funding. Tom, you might want to add some additional color to that.

Tom Owens - *Cinemark Holdings Inc - EVP Real Estate*

I think our development partners are pretty excited every time we sit and talk to them about these opportunities. And a lease contains so many different things, right? Like term and percentage rent and bumps in rent. The landlords are mainly concerned with extension of the lease and sometimes they'll compensate you for extending the lease.

We have so many newer theaters because we grew the company organically. Most of our competitors have theaters that they have bought and that are expiring. So, they're negotiating a lot more than we are because we don't really want to extend the lease to 15 and 20 years out.

The money that the -- to your -- to Mark's point, the money that the landlords are offering us is -- have 10, 12 percent attached to it. It's really kind of crazy. And we're looking more in terms of some free rent possibilities, extending some terms by five years, not 10. But, for the most part it's a very long negotiation with each landlord. But they're excited that we're doing these improvements, so --

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Robert Fishman - *MoffettNathanson - Analyst*

Just a quick follow up for Valmir, given the inflection that we continue to hear about in Latin America, Brazil, are you starting to see any sort of improvements on the development front or does it help us think about how we should think about the next couple of years for Latin America?

Valmir Fernandes - *Cinemark Holdings Inc - President, International*

First of all, I think we are seeing some stabilization which is great news considering the strongest recession the last 15 years that Brazil faced. So, I think this is great news.

We are not seeing a lot of movement, we see that we were talking -- I was talking to my general manager in Brazil, and he sees there are something like 70 projects in Brazil that don't have a firm date to be developed. So, the projects are there, they are advent five, but the retail industry suffered a lot.

We don't see necessarily a recovery in 2017, we don't see a lot of recovery in '18 because it's an election year. So, people are going to be looking at the results of the election of how the election is going to play. In order to focus on '19 and beyond, then coming back.

So, we see this two years of low activity in the mall front. I'm just talking about -- yes, this is a very specific situation with Brazil. We continue seeing, and we are trying to offset this with the countries and regions that are performing better and where we are seeing lot of activities. And then that's exactly Columbia, Peru, Central America, and that is helping us to offset the short-term situation in Brazil.

Matthew Harrigan - *Wunderlich Securities - Analyst*

Thank you, I'm curious, you like so many other retailers are probably trying very hard to find new creative ways to mine the database of your loyalty program, it really seems like it was ideal for EST in particular, I don't know how it would relate to premium VOD, but do you have any sense for how many theater attendees or subsequent purchasers in other windows, and how you could help the studios who monetize that?

And then lastly, Time Warner was pretty evangelical on the location based entertainment side, the [Met] and even sports overtime in particularly Latin America. You talked about things like VR, but is there -- and this is -- I guess people have probably been talking about this for 40 years at this point, but any sense of progress on that front on sports in particular as you're able to integrate social and big data into the screen and all that, thank you.

Mark Zoradi - *Cinemark Holdings Inc - CEO*

I'll take the second part of the question first. Relative to alternative entertainment and that -- it can be eSport, it can be gaming, it can be VR. We will clearly be testing VR in our theaters sometime in '17 or '18. There are a number of providers out there, content providers to do that.

Where we feel the strongest about that is -- the hardware is one thing, the hardware's going to continue to get better. What's going to drive that? It's going to be driven by the software. So, we will probably have various options on that.

It might be in the lobby, we might pick one of our small auditoriums and convert it into the VR experience and put little mini pods in there and see how it goes. So, we'll probably test it with a couple of multiple providers because there are half a dozen of them right now. They've even had more and more of them coming all the time.

In regard to eSports, we are a minority interest in super league gaming. They are absolutely the leaders in providing participatory electronic -- participatory video games. They've tested with us more than anywhere else.

We've had about 250 various events where kids are put into actual teams and the teams in LA will play the teams in Las Vegas who play the teams in Dallas and et cetera. So, there's the participatory part and then there's also the viewership part. So, this is a business that we did a lot of testing on in '16 and into '17 but at this point it's not built to scale yet.

We hope it will, but all the work we've done, and I think we've done more testing than anybody, we did about a million dollars in revenue. But, we keep -- we keep looking for the next thing, and it's why we invest in super league gaming.

As regards to big data, I said we have about 2.5 million of members in our various loyalty programs in Latin America and in the U.S. Our first goal in the U.S. was to get to a million in a year, we got there in eight months. So, we have big plans to add a significant amount this coming year.

And you're absolutely right, the real payoff is to be able to mine that data and segment it and be able to share it for promotional purposes and sales with our studios partners. We're never going to give it away because it's our data.

But we certainly can do promotions with them to help them get out there and say "If you went to see Beauty and the Beast, you would likely be interested in either buying ESP or renting it again. And there's a direct correlation, and we've got a whole department that we're now has initiated on big data and data mining and VR.

Eric Wold - *B. Riley - Analyst*

Thank you. Two questions on guest modernization.

So, kind of going back to the food and beverage; if you think about some of the theaters that were -- that had the enhanced food and beverage, alcohol, kind of early on in the cycle, have you seen any evidence of tapering off the demand that made you think where a ceiling might be in kind of per cap spend system wide if that's rolled out?

And two, on ticket pricing AMC has started testing dynamic pricing around day of the week, opening weekend, later week, even your seat location. Is that something you think makes sense industry wide, and more simply for Cinemark?

Mark Zoradi - *Cinemark Holdings Inc - CEO*

Sean, why don't you take this? Ticket pricing, and then Phillip can jump in on food and beverages.

Sean Gamble - *Cinemark Holdings Inc - CFO*

Sure. On the ticket pricing, I mean I think it's to be determined. I think that there will be advances or continue to be advances in ticket pricing actions. We today -- and probably the industry today doesn't really have dynamic pricing per se, I mean that's far more complicated than in a scenario, like a Broadway scenario where there's one show in one theater.

We have quite a range of varied pricing throughout the week, throughout the time of day. Friday night is different than Thursday night and so on and so forth. And I expect that will continue to become more granular, and could even vary a bit more throughout the year and what not. And so, the short answer is yes, I think that will continue to evolve and there is potential there.

Phillip Couch - *Cinemark Holdings Inc - EVP Food & Beverage*

Yes, relative to the question where we have early alcohol or restaurant food concepts and plateauing or trailing off, to the contrary they're actually growing significantly.

When we were in -- this was early, it was new. As we continue to get scale, we get more opportunities for better deals, for better marketing initiatives, and so forth, and better product mix. Because now we're understanding more, we're building better bars, we're outfitting things, so the growth potential is again significant in that space because of how we're now able to go to market on a broader scale.

What's also really key is understanding that our business is really about being adaptive and continuing to develop everything that we already have in play. We can't be complacent about well the alcohol level is here and we're satisfied with that because consumers continue to change and whether it's spirits that become popular or beer, wine frozen, there's just so much opportunity.

But, the biggest thing is we're getting better at what we do and understanding as we continue to scale up, our opportunities are increasing. So, we're seeing an increase versus a plateauing or trailing off.

Mark Zoradi - *Cinemark Holdings Inc - CEO*

Just to brag a little on Phillip here, we have had 40 consecutive quarters of per cap growth. That's ten years of consecutive per cap growth and it's because every quarter, every year we're looking to do new additions.

Jim Goss - *Barrington Research - Analyst*

Jim Goss, Barrington Research. I was wondering if you could characterize the M&A environment in your Latin American markets as well as in the U.S. market and where M&A ranks in your priority skill for capital allocation in each sector?

Mark Zoradi - *Cinemark Holdings Inc - CEO*

I'll take the first part of that. M&A is critically important to us, but what is even more important to us is the right M&A at multiple that is accretive to us. We would like to have that focus like I said on the markets that we're already in.

You can't force the monkey sometimes as they like to say, because a lot of what's available in the U.S. are family owned and operated regional and small circuit, and in still such time as they want to sell those circuits, you're going to overpay if you go after them.

We're going to be aggressive there, but we're also going to be very prudent in our -- in because we have such a good business and we want to continue to operate at the highest margins, we will look for them but we're going to look for them in what I call a prudent way.

In Latin America, I think there might even be additional opportunities, I'll let Valmir speak to that.

Valmir Fernandes - *Cinemark Holdings Inc - President, International*

Yes, definitely there are opportunities, but we look at the quality of assets so there's a lot of opportunities that we would basically not consider because the quality of the assets just don't fit our model.

So, on the -- on what is left, same concept applies in terms of family businesses and we have to find the right timing. But, definitely we are looking at this constantly, and I see there is an opportunity, but also in Latin America in particular where we have leading position in some countries, we also have to be concerned that in some cases there would be some issues with us taking an even stronger participation.

So, all of this get into the mix, but definitely it's one of the things we are looking particularly in countries where we are not seeing that much opportunity both in the short term, we are looking at.

Leo Kulp - *RBC Capital - Analyst*

Thanks, I'll just take two. Going back to premium VOD first for a minute, have you guys done any research or survey work around consumer demand for a premium in home VOD window? And I guess more specifically is there like a left of the window that would be more or less concerning?

Like is there 15 day that would really start to cannibalize things? And then on the LatAm side, could you provide an update on what you're seeing some of the cost pressures you've seen in recent years, specifically the minimum wage and utilities?

Mark Zoradi - *Cinemark Holdings Inc - CEO*

I think I'll do the first one, pretty simple. The answer is yes, and yes. We've done some research, we actually have research in the field right now so it will be proprietary research and it's specifically around demand pricing, timing, all the elements in economy.

And you can learn a lot from that research. But, what I've learned about research over my career is that it leads you in the right direction, but it's not necessarily exactly what's going to happen because you never know what the consumer is going to do until they're actually given that opportunity.

So, yes, we've got lots of good guideposts, so we've got actually got quite a bit of more information us coming to us in the next 30 to 60 days.

Valmir Fernandes - *Cinemark Holdings Inc - President, International*

On the labor and utility for Latin America, I would say to you that this is not new. This pressure has been around since I joined the business; the government is trying to increase the minimum wages that we elected to have a chance to continue either position.

So, we have been dealing with this knowing that this will probably not go away. It's one of the things that we have dealt over the years and we have managed to grow the business, considering that our inflation is different from the normal inflation.

So, we look at the inflation of our business, and we adjust things according to that, and based on our margins, you can see we have been pretty successful. I don't see additional pressures in this front, but I do see this cost increasing more than the price of goods inflation.

Barton Crockett - *FBR Capital - Analyst*

I was curious about the time right before the movie starts, and really a couple kind of questions around that. One, is there any new value or leverage that you can get out of trailers at this point, is there any lever that you can pull there?

Secondly there's been some interesting kind of interactive technology that I think's been used to some level up in Canada, and it seems to be able to draw people into theaters and get some engagement, maybe you have some monetization opportunities, what do you think about that?

And then thirdly, you guys own a big national cinemedia stake, and AMC is obviously selling a big chunk, and it creates a question in my mind of whether NCM could potentially be bought by someone else? I'm just wondering if you guys would ever be open to parting with your stake?

Mark Zoradi - *Cinemark Holdings Inc - CEO*

Let me just start at [Timeplay]. We're testing TimePlay right now, we're testing it actually in Latin America. Relative to trailers and monetization there. There's a tremendous demand for trailer time, from all the studios. So we do get values out of our trailer plays, sometimes it's straight out, sometimes it's other consideration.

But trailer play is incredibly important, we try and limit it, we try and not share too many trailers. Our research has shown that consumers generally like trailers, they just don't want too many. There becomes a point of diminishing return of trailers. So, we encourage the studios to run and make 90 second trailers.

Barton Crockett - *FBR Capital - Analyst*

So, what was your NCM stake? Would you ever sell?

Sean Gamble - *Cinemark Holdings Inc - CFO*

I'm reluctant to speculate on it only because don't want to get misquoted and what not but it would boil down to the deal. Just like anything else, I mean NCM is a very key strategic partner of ours. We had a modern-day stake in Real-D, and it's not as significant as NCM, they were obviously purchased I think to the extent there was a buyer of NCM who was interested, a lot of that would boil down to what's the -- what are the terms of the deal. Until we do that, it's hard to say.

Barton Crockett - *FBR Capital - Analyst*

And if I could follow up on a question on the trailer question, is that value reflected mainly in your film rental? Is that part of your negotiation in how much you pay per film, where you put the trailers at?

Mark Zoradi - *Cinemark Holdings Inc - CEO*

No, that's not part of it. It's part of the whole marketing that we do it's everything from them getting utilization to our data and helping in that way, up to utilizing our mailing lists to promote their movies, of them wanting to show trailers and then -- and then what kind of -- what kind of value they might imply back to us. But, no, it's not specific to each film.

Chanda Brashears - *Cinemark Holdings, Inc - VP Investor Relations*

I did get one question online, Tom, I think you would be good to answer this one, if we are seeing any impact to our theaters from mall traffic reduction?

Tom Owens - *Cinemark Holdings Inc - EVP Real Estate*

Well, it's interesting - where there's a mall, for the most part our theaters are on the ring roads of malls and really diminishing traffic by these department stores closing really hasn't affected us.

Matter of fact, we have one location where it's crazy, they were the only open tenant and the theater continues to grow. So, it's really -- we're such a destination within the mall that the co-tendency that what doesn't affect us like it would in normal retail. Yes, approximately 25% of our domestic circuit is located in traditional malls.

Mark Zoradi - *Cinemark Holdings Inc - CEO*

Thank you all for coming, I hope this was beneficial. We intend to do it next year. I actually like having some of the department heads speak for you to look at towards questions.
