



Important Tax Information for 2010

Enclosed with this letter is your corrected Internal Revenue Service (“IRS”) Form 1099-DIV from National CineMedia, Inc. (NASDAQ: NCM) (“NCM, Inc.”). Please retain both this letter and your corrected Form 1099-DIV as they are important documents needed to calculate your tax cost basis in your NCM, Inc. shares.

Important Notice

This letter is for informational use only and does not constitute tax advice. You are urged to consult your own tax advisor to determine your tax basis in your NCM, Inc. shares and to discuss your appropriate tax treatment in connection with your receipt of distributions from NCM, Inc. in light of your particular circumstances, including any state, local or foreign tax considerations that may be relevant to your situation.

Frequently Asked Questions Regarding the Change in Tax Status for Distributions Made By NCM, Inc.

Q: Why is my Form 1099-DIVs for 2010 being corrected?

A: NCM, Inc. made cash distributions to you in 2010. The “Distribution History of NCMI” table below provides the details of these distributions. We previously issued you a Form 1099-DIV. At the time the form was issued to you, NCM, Inc. could not determine with reasonable certainty what portion of such distributions was a non-dividend distribution. However, NCM, Inc. has now completed its analysis for 2010 and has determined that the previously issued Form 1099-DIV should be corrected to reflect that portion of the distributions that was an ordinary dividend (Box 1) and that portion that was either a return of capital or possibly capital gain, referred to as a “non-dividend” distribution (Box 3).

Q: What are ordinary dividends?

A: Ordinary dividends are taxable distributions paid by a corporation to a stockholder, and the amount of a distribution that will constitute a taxable ordinary dividend depends upon the amount of the distributing corporation’s current and accumulated “earnings and profits” as determined for tax purposes. Based on its analysis, NCM, Inc. has determined that a portion of the distributions paid by NCM, Inc. to you in 2010 were ordinary dividends. These distributions (shown in Box 1a of your corrected Form 1099-DIV) should be reported as ordinary income.

Q: What are qualified dividends?

A: Qualified dividends are ordinary dividends that potentially qualify for a lower tax rate. For 2010, 100% of the ordinary dividend distributions reflected in the “Distribution History of NCMI” table below represent qualified dividends. These distributions (shown in Box 1b of your corrected Form 1099-DIV) may be eligible for the lower of 15% or zero dividend rates.

Q: What is a return of capital?

A: A return of capital represents a non-taxable return of a portion of a stockholder’s original investment in the stock of a corporation. Based on the historical share price of NCM, Inc. shares and the timing and amount of the distributions that NCM, Inc. has made to you, it is likely that a portion of the distributions made to you in 2010 represented a non-taxable return of capital. However, as noted above, your tax treatment depends upon your particular facts and circumstances and the tax basis that you maintain with respect to your NCM, Inc. shares, and you are urged to discuss your particular circumstances with your tax advisor. In the event that a

portion of the distributions made to you in 2010 represent a return of capital, you would generally be entitled to report such non-dividend distributions (shown in Box 3 of your corrected Form 1099-DIV) as non-taxable.

Q: What is a stock transfer agent?

A: Companies that have publicly traded securities often use transfer agents to maintain the records of individuals and entities that own such securities. Computershare Trust Company, N.A. ("Computershare") is the stock transfer agent for NCM, Inc.

Q: What does the term "registered stockholder" mean?

A: You are a registered stockholder if you hold your stock in certificate form or if your stock is held in your name in book-entry form at Computershare.

Q: What does the term "street name" mean?

A: When you buy securities through a brokerage firm, most firms will automatically put your securities into "street name." This means your brokerage firm will hold your securities in its name or another nominee name and not in your name, and your brokerage firm will keep records showing you as the real or "beneficial owner." You will not receive a stock certificate, but will instead receive an account statement from your broker on at least a quarterly and annual basis showing your holdings.

Q: Who will issue a corrected Form 1099-DIV to me?

A: Registered stockholders will receive a corrected Form 1099-DIV from Computershare. If you hold your shares in street name and your distributions were deposited into your brokerage account, you will receive a corrected Form 1099-DIV from that institution. Neither NCM, Inc. nor Computershare will be able to issue you a corrected Form 1099-DIV.

Q: Why are the distributions on my annual statement different than my corrected Form 1099-DIV?

A: In order to match the figures on your Form 1099-DIV to your annual statement, add the numbers in Boxes 1a and 3 together. Please consult your tax advisor for an explanation of applicable IRS statutes and regulations.

Q: When will I receive a corrected Form 1099-DIV?

A: Corrected Forms 1099-DIV will be sent to registered stockholders on September 23, 2011. You should contact your bank or broker to determine their timing for issuing you a corrected Form 1099-DIV for shares held in street name.

Q: Will the corrected information on Form 1099-DIV be reported to the IRS?

A: Yes.

Q: Will NCM, Inc. offer tax or legal advice?

A: NCM, Inc. does not offer tax or legal advice.

Q: Will I have to amend my tax returns?

A: We urge you to consult your tax or financial advisor for specific information related to your personal tax situation. Your tax or financial advisor may recommend that you file an amended tax return.

Q: If I determine that I need to amend my tax returns, will NCM, Inc. cover the cost?

A: No, NCM, Inc. will not bear the cost to amend your tax returns.

Q: What is my tax basis in the stock of NCM, Inc.?

A: In general, your tax basis is the original price you paid for your shares of NCM, Inc. as adjusted for any distributions that represent a return of capital. You should also note that different blocks of shares acquired at different times and at different prices will generally have different tax basis.

Q: What portion of the distributions that I received in 2010 should now be classified as ordinary dividends and non-dividend distributions?

A: Refer to the "Distribution History of NCMI" table below.

Q: If a portion of a distribution that I received represented a return of capital, will such return of capital be non-taxable?

A: Yes, a return of capital is a non-taxable transaction. Your cost basis in NCM, Inc. stock must be reduced by the total amount of all non-dividend distributions that constitute a return of capital until the basis of your stock has been reduced to zero. Any excess is then treated as a gain from the sale of the shares.

Q: Who should I contact if I have further questions?

A: Contact your tax advisor for specific tax questions. If you have other questions, contact NCM, Inc.'s Investor Relations Department at 9110 E. Nichols Avenue, Suite 200, Centennial, CO 80112-3405, by calling 1-800-844-0935 or sending an email to investors@ncm.com.

Distribution History of NCMI

			2010 Tax Year			
Record Date	Payment Date	Total Distribution Per Share	Originally Reported		Corrected Tax Status	
			Ordinary Dividend Percentage	Non-Dividend Distribution Percentage	Ordinary Dividend Percentage	Non-Dividend Distribution Percentage
03/18/2010	04/01/2010	\$0.16	27.47%	72.53%	33.45%	66.55%
05/20/2010	06/03/2010	\$0.18	27.47%	72.53%	33.45%	66.55%
08/19/2010	09/02/2010	\$0.18	27.47%	72.53%	33.45%	66.55%
11/18/2010	12/02/2010	\$0.20	27.47%	72.53%	33.45%	66.55%

The above table does not include distributions paid in 2011. These distributions will be included in your 2011 Form 1099-DIV.

Important Tax Return Document Enclosed