



CINEPLEX INC.

DIVIDEND POLICY

This is a policy relating to the payment of dividends on common shares (the “**Common Shares**”) of Cineplex Inc. (the “**Company**”). This policy may be changed at any time, and from time to time, by the board of directors (the “**Board**”) of the Company in its sole and absolute discretion.

1. Dividends are expected to be paid monthly to shareholders of record on the last business day of each month with actual payment to be made to such shareholders on or about the last business day of the following month, subject to any contractual restrictions on such dividends, including any agreements entered into with lenders of the Company or its affiliates.
2. As of the date hereof, it is anticipated that the Company will pay a monthly dividend, subject to the discretion of the Board, at an annualized rate in a range between 60% and 85% of adjusted free cash flow per Common Share, commencing on February 28, 2011 for shareholders of record on January 31, 2011.
3. The Board will assess dividend payout levels, from time to time, in light of the Company’s financial performance and its then current and anticipated business needs at that time. In determining the Company’s dividends payout levels, the Board will consider:
 - (a) economic and market conditions;
 - (b) funding requirements of operating businesses;
 - (c) ongoing and anticipated obligations under the Company’s indebtedness;
 - (d) potential acquisitions or other opportunities that may arise from time to time;
 - (e) provisions of applicable law (including satisfying the dividend solvency test applicable to corporation’s governed by the *Business Corporation Act* (Ontario)); and
 - (f) other factors that the Board may deem relevant from time to time.