

the territorial jurisdiction of the United States (the “Sale”) pursuant to the terms and conditions set forth in that certain Asset Purchase Agreement (the “APA”) between Cinram International Inc. and Cinram Acquisition, Inc. (the “Purchaser”).

PLEASE TAKE FURTHER NOTICE THAT upon the closing of the Sale following entry of the Canadian Sale Order and entry of a sale order by the Bankruptcy Court, the Debtors may assume and assign to the Purchaser, among others, any of the executory contracts and unexpired leases (collectively, the “Assigned Contracts”) identified on Schedule 1 hereto (the “Supplemental Assumption Schedule”).

PLEASE TAKE FURTHER NOTICE THAT the Purchaser has not yet determined to designate any of the Assigned Contracts identified on the Supplemental Assumption Schedule for assumption and assignment. As set forth more fully in the Motion, the determination to assume and assign a contract is subject to change by the Purchaser. Specifically, among other things, the Purchaser has reserved all rights with respect to removing any executory contract or unexpired lease from the Supplemental Assumption Schedule.

PLEASE TAKE FURTHER NOTICE THAT the Debtors will file a final list of the Assigned Contracts that were actually assumed and assigned to the Purchaser at closing with the Bankruptcy Court within one business day after the closing of the Sale.

PLEASE TAKE FURTHER NOTICE THAT you are receiving this notice (this “Notice”) because the Debtors’ records reflect that you are a party to an Assigned Contract listed on the Supplemental Assumption Schedule. Therefore, you are advised to review carefully the information contained in this Notice. If you have any questions about this Notice or the Supplemental Assumption Schedule and proposed cure amounts, you may contact the Monitor appointed by the Canadian Court: **FTI CONSULTING, INC.**, TD Waterhouse Tower, 79 Wellington Street West, Suite 2010, P.O. Box 104, Toronto, ON M5K 1G8 Canada, toll free at 1-855-718-5255, fax 1-416-649-8601, or email Cinram@fticonsulting.com.

PLEASE TAKE FURTHER NOTICE that the Debtors currently are proposing to potentially assume an executory contract(s) or unexpired lease(s) listed on the Supplemental Assumption Schedule to which you may be a party.²

PLEASE TAKE FURTHER NOTICE THAT section 365(b)(1) of the Bankruptcy Code requires the Debtors to cure, or provide adequate assurance that they will promptly cure, any defaults under executory contracts and unexpired leases at the time of their assumption.

² Neither the exclusion nor inclusion of any executory contract or unexpired lease on the Supplemental Assumption Schedule shall constitute an admission by the Debtors that any such contract or lease is in fact an executory contract or unexpired lease capable of assumption, that any Debtor(s) has any liability thereunder, or that such executory contract or unexpired lease is necessarily a binding and enforceable agreement. Further, the Debtors expressly reserve the right to (a) remove any executory contract or unexpired lease from the Supplemental Assumption Schedule, in coordination with the Purchaser as stated above, and reject such executory contract or unexpired lease and (b) contest any claim (or cure amount) asserted in connection with the assumption of any executory contract or unexpired lease.

Accordingly, the Debtors have conducted a thorough review of their books and records and have determined the amounts required to cure defaults, if any, under the executory contract(s) or unexpired lease(s), which amounts are listed on the Supplemental Assumption Schedule. **Please note that if no amount is stated for a particular executory contract or unexpired lease, the Debtors believe that there is no cure amount outstanding for such contract or lease.**

PLEASE TAKE FURTHER NOTICE THAT the Debtors reserve all rights with respect to amending the Supplemental Assumption Schedule, including any necessary changes to the proposed cure amounts listed.

PLEASE TAKE FURTHER NOTICE THAT absent any pending dispute, the monetary amounts required to cure any existing defaults arising under the executory contract(s) or unexpired lease(s) identified on the Supplemental Assumption Schedule will be satisfied by the Purchaser in cash upon the closing of the Sale. In the event of a dispute, however, payment of the cure amount would be made following the entry of a final order resolving the dispute and approving the assumption. If an objection to the proposed assumption or related cure amount is sustained by the Bankruptcy Court, the Debtors may elect to reject such executory contract or unexpired lease, in coordination with the Purchaser, instead of assuming it.

PLEASE TAKE FURTHER NOTICE THAT if you would like to obtain a copy of the Motion, the Canadian Sale Order, the APA, or any related documents, you should contact Kurtzman Carson Consultants LLC, the claims and noticing agent retained by the Debtors in these chapter 15 cases, by: (a) visiting the Debtors' restructuring website at: www.kcccllc.net/cinram; (b) e-mailing the Debtors at CinramInfo@kcccllc.com, and/or (c) writing to Cinram Claims Processing c/o Kurtzman Carson Consultants LLC, 2335 Alaska Ave., El Segundo, CA 90245. You may also obtain copies of any pleadings filed in these chapter 15 cases for a fee via PACER at: <http://www.deb.uscourts.gov>.

PLEASE TAKE FURTHER NOTICE THAT the deadline for filing objections to the assumption and assignment of the Assigned Contracts and the associated cure amount listed in the Supplemental Assumption Schedule is July 20, 2012 at 4:00 p.m. prevailing Eastern Time. Any objections must: (a) be made in writing; (b) conform to the Bankruptcy Rules, the Local Rules, and any orders of the Bankruptcy Court; (c) state with particularity the legal and factual basis for the objection and if practicable, a proposed modification to the cure amount listed in this Notice that would resolve such objection; and (d) be filed with the Bankruptcy Court (contemporaneously with a proof of service) and served upon the following parties so as to be **actually received** by **July 20, 2012 at 4:00 p.m. prevailing Eastern Time**:

SHEARMAN & STERLING LLP
Attn: Douglas P. Bartner, Esq.
Attn: Robert Britton, Esq.
599 Lexington Avenue
New York, New York 10022
Co-Counsel to the Foreign Representative

YOUNG CONWAY STARGATT
& TAYLOR, LLP
Attn: Pauline K. Morgan, Esq.
Attn: Kenneth J. Enos, Esq.
Rodney Square
1000 North King Street
Wilmington, Delaware 19801
*Co-Counsel to the Foreign
Representative*

THE OFFICE OF THE UNITED
STATES TRUSTEE FOR THE
DISTRICT OF DELAWARE
Attn: David Klauder
844 King Street, Suite 2207
Wilmington, Delaware 19801

MORRIS, NICHOLS, ARSHT &
TUNNELL LLP
Attn: Derek C. Abbott
1201 North Market Street, 18th Floor
Wilmington, Delaware 19899
*Co-Counsel to the Debtors' Prepetition
Secured Lenders and DIP Lenders*

WACHTELL, LIPTON, ROSEN
& KATZ LLP
Attn: Richard G. Mason, Esq.
Attn: Joshua A. Feltman, Esq.
51 West 52nd Street
New York, NY 10019
*Co-Counsel to the Debtors'
Prepetition Secured Lenders
and DIP Lenders*

BALLARD SPAHR LLP
Attn: Matthew G. Summers, Esq.
919 N. Market Street, 11th Floor
Wilmington, Delaware 19801
Counsel to the Proposed Purchaser

PLEASE TAKE FURTHER NOTICE THAT any counterparty to an Assigned Contract that fails to object timely to the proposed assumption or cure amount set forth on Schedule 1 will be deemed to have agreed to such assumption and cure amount without any further order of or action by the Bankruptcy Court.

PLEASE TAKE FURTHER NOTICE THAT ASSUMPTION OF ANY EXECUTORY CONTRACT OR UNEXPIRED LEASE IN CONNECTION WITH THE SALE OR OTHERWISE SHALL RESULT IN THE FULL RELEASE AND SATISFACTION OF ANY CLAIMS OR DEFAULTS, WHETHER MONETARY OR NONMONETARY (INCLUDING DEFAULTS OF PROVISIONS RESTRICTING THE CHANGE IN CONTROL OR OWNERSHIP INTEREST COMPOSITION, OR OTHER BANKRUPTCY-RELATED DEFAULTS) ARISING UNDER ANY ASSUMED EXECUTORY CONTRACT OR UNEXPIRED LEASE AT ANY TIME BEFORE THE DATE THAT THE DEBTORS ASSUME SUCH EXECUTORY CONTRACT OR UNEXPIRED LEASE.

Dated: Wilmington, Delaware
July 13, 2012

SHEARMAN & STERLING LLP
Douglas P. Bartner
Jill Frizzley
Robert Britton
599 Lexington Avenue
New York, New York 10022
Telephone: (212) 848-4000
Facsimile: (646) 848-8174

-and-

YOUNG CONAWAY STARGATT & TAYLOR, LLP

/s/ Kenneth J. Enos

Pauline K. Morgan (No. 3650)
Kenneth J. Enos (No. 4544)
Rodney Square
1000 North King Street
Wilmington, DE 19801
Telephone: (302) 571-6600
Facsimile: (302) 571-1253

Co-Counsel to the Foreign Representative

SCHEDULE 1 TO THE CONTRACT ASSUMPTION NOTICE

Supplemental Assumption Schedule

Supplement No. 1 to Assumed Contracts List

Ref No.	Cinram Party	Counterparty	Title of Agreement	Address of Counterparty Line 1	Address of Counterparty Line 2	Address of Counterparty Line 3	Address of Counterparty Line 4	Address of Counterparty Line 5	Address of Counterparty Line 6	Cure Amount
1	Cinram Distribution LLC	Happiest Baby, Inc.	Inventory Management Services Agreement	Attn: Marija Sipka	11357 Montana Avenue		Los Angeles	CA	90049	\$0.00
2	Cinram Retail Services LLC	Activision Blizzard Deutschland GmbH and Activision Blizzard France SAS	Retail Inventory Services Agreement	Attn: VP International Business Affairs	3 Roundwood Avenue	Stockley Park	Uxbridge	United Kingdom	UB11 1Af	\$0.00
3	Cinram Retail Services LLC	Universal Music Group International	Letter of Intent	Attn: Richard Constant	364-366 Kensington High Street		London	United Kingdom	W14 8NS	\$0.00
4	Cinram Retail Services LLC (f/k/a Vision Information Logistics, LLC)	Buena Vista Home Entertainment, inc.	Analyst Loan-Out Agreement		3900 West Alameda Avenue		Burbank	CA	91505	\$0.00
5	Cinram International Inc.	ADP Canada Co.	Payroll services sales order and terms and conditions	Attn: Jeff Gladman, National Account Management	3250 Bloor Street West		Etobicoke	ON	M8X 2X9	\$0.00
6	Cinram International Inc.	Allen and Huras Professional Corporation	Agreement for Workers' Compensation Cost Containment & Recovery Services		2 Toronto St.		Toronto	ON	M5C 2B6	\$0.00
7	Cinram International Inc.	HR Technologies	Sales Agreement		290 North Queen Street		Etobicoke	ON	M9C 5K4	\$0.00
8	Cinram International Inc.	HR Technologies	License Agreement (December 8, 2005)		290 North Queen Street		Etobicoke	ON	M9C 5K4	\$0.00
9	Cinram International Inc.	HR Technologies	License Agreement (July 13, 2006)		290 North Queen Street		Etobicoke	ON	M9C 5K4	\$0.00
10	Cinram International Inc.	HR Technologies	Software Maintenance Agreement		290 North Queen Street		Etobicoke	ON	M9C 5K4	\$0.00
11	Cinram International Inc.	HR Technologies	Hardware Maintenance Agreement		290 North Queen Street		Etobicoke	ON	M9C 5K4	\$0.00
12	Cinram International Inc.	Cintas	Standard Uniform Rental Service Agreement		3370 Dundas Street West		Toronto	ON	M6S 2S2	\$1,102.32
13	Cinram Manufacturing LLC	WRS Materials	Consigned Inventory Agreement	Attn: Michelle Hannah	5250 Neil Road	Suite 101	Reno	NV	89502	\$0.00*
14	Cinram Manufacturing LLC	Penguin Group (USA) Inc.	Terms and Conditions of Sale		375 Hudson Street		New York	NY	10014	\$0.00
15	Cinram International Inc.	PHH Vehicle Management Services Inc.	Cash Collateral Agreement	Attn: Angie Aucoin	2233 Argentinia Rd	Suite 400	Mississauga	ON	L5N 2X7	\$0.00
16	Cinram International Inc.	PHH Vehicle Management Services Inc.	Card Services Agreement	Attn: Angie Aucoin	2233 Argentinia Rd	Suite 400	Mississauga	ON	L5N 2X7	\$0.00
17	Cinram (U.S.) Holding's, Inc.	ADP, Inc.	National Account Services Master Service Agreement		5800 Windward Parkway		Alpharetta	GA	30005	\$14,963.29

* Included in cure for contract reference no. 623 in original notice