IN THE UNITED STATES BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE

	X	
In re	:	Chapter 15
CINRAM INTERNATIONAL INC., et al.,1	:	Case No. 12-11882 (KJC)
Debtors in a Foreign Proceeding.	:	Jointly Administered
	:	
	X	

SUPPLEMENT TO NOTICE OF PROPOSED POTENTIAL ASSUMPTION AND ASSIGNMENT OF CERTAIN EXECUTORY CONTRACTS AND UNEXPIRED LEASES IN CONNECTION WITH THE SALE OF SUBSTANTIAL ASSETS OF THE DEBTORS

PLEASE TAKE NOTICE THAT on June 25, 2012, Cinram International ULC, in its capacity as the authorized foreign representative (the "Foreign Representative") for the above-captioned debtors (collectively, the "Debtors"), filed the Foreign Representative's Motion for Entry of an Order (I) Recognizing the Canadian Sale Order, (II) Authorizing and Approving the Sale Free and Clear of Liens, Claims, Encumbrances, and Other Interests, (III) Authorizing the Assumption and Assignment of Certain Executory Contracts and Unexpired Leases, and (IV) Granting Related Relief (Dkt. No. 9) (the "Motion") in the United States Bankruptcy Court for the District of Delaware (the "Bankruptcy Court").

PLEASE TAKE FURTHER NOTICE THAT on July 12, 2012, the Ontario Superior Court of Justice (the "Canadian Court") will consider the proposed Approval and Vesting Order (the "Canadian Sale Order") approving the sale of substantially all of the property and assets used in connection with the business carried on by the Debtors in North America.

PLEASE TAKE FURTHER NOTICE THAT the Bankruptcy Court has scheduled a hearing before the Honorable Kevin J. Carey in Room 5 of the United States Bankruptcy Court for the District of Delaware, 824 Market Street, 3rd Floor, Wilmington, Delaware 19801, on July 25, 2012 at 10:00 a.m. (prevailing Eastern time) to consider the relief requested by the Foreign Representative in the Motion and any timely filed objections thereto.

PLEASE TAKE FURTHER NOTICE THAT the Motion contemplates that in addition to the sale of assets to be approved by the Canadian Sale Order, upon approval of the Motion by the Bankruptcy Court, the Debtors will be authorized to sell certain of their assets located within

The last four digits of the United States Tax Identification Number or Canadian Business Number, as applicable, of each of the Debtors follow in parentheses: (a) Cinram International Inc. (4583); (b) Cinram (U.S.) Holding's Inc. (4792); (c) Cinram, Inc. (7621); (d) Cinram Distribution LLC (3854); (e) Cinram Manufacturing LLC (2945); (f) Cinram Retail Services LLC (1741); (g) Cinram Wireless LLC (5915); (h) IHC Corporation (4225); and (i) One K Studios, LLC (2132). The Debtors' executive headquarters is located at 2255 Markham Road, Toronto, Ontario, M1B 2W3, Canada.

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 <u>not</u> 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. <u>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.</u>

PLEASE TAKE FURTHER NOTICE THAT the Debtors will file a final list of the Assigned Contracts that were <u>actually</u> 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.

NYDOCS03/951443.6 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.kccllc.net/cinram; (b) e-mailing the Debtors at CinramInfo@kcclc.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:

3

NYDOCS03/951443.6

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.

NYDOCS03/951443.6 4

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

NYDOCS03/951443.6 5

SCHEDULE 1 TO THE CONTRACT ASSUMPTION NOTICE

Supplemental Assumption Schedule

Supplement No. 1 to Assumed Contracts List

Ref	Cinram Party	Counterparty	Title of Agreement	Address of	Address of	Address of	Address of	Address of	Address of	Cure Amount
No.				Counterparty Line	Counterparty Line 2	Counterparty Line 3	Counterparty Line 4	Counterparty Line 5	Counterparty Line 6	19.7
1	Cinram Distribution	Hanniest Baby, Inc.	Inventory	Attn: Marija Sipka	11357 Montana		Los Angeles	CA	90049	\$0.00
- 1	LLC	mappion and y mor	Management		Avenue	İ				
			Services Agreement			!			1	1 - 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1 -
<u> </u>		A state of Blanch	D-4-2 Inventor	Attn: VP	3 Roundwood	Stockley Park	Uxbridge	United Kingdom	UB11 1Af	\$0.00
	Cinram Retail Services LLC	Activision Blizzard Deutschland GmbH and	Retail Inventory Services Agreement		Avenue	Stockie, Tark				
	Services LCC	Activision Blizzard France		Business Affairs			1			
		SAS					ļ		1444 4 DNC	\$0.00
3	Cinram Retail	Universal Music Group	Letter of Intent	Attn: Richard	364-366 Kensington		London	United Kingdom	W14 8NS	30,00
	Services LLC	International	Analyst Loan-Out	Constant	High Street 3900 West Almeda		Burbank	CA	91505	\$0.00
	Cinram Retail Services LLC (f/k/a	Buena Vista Home Entertainment, inc.	Agreement		Avenue					
	Vision Information	Litter takkinerit, inc.	ragice mone				1			
1 1	Logistics, LLC)						ł			7 HALL
					anca Bl St t		Etobicoke	ON	M8X 2X9	\$0.00
5	Cinram	ADP Canada Co.	Payroll services sales order and	Attn: Jeff Gladman, National	3250 Bloor Street		Etopicoke		NON ZAS	
	International Inc.		terms and	Account	111631					
lΙ			conditions	Management						
								<u> </u>		200
6	Cinram	Allen and Huras	Agreement for		2 Toronto St.		Toronto	ON	M5C 2B6	\$0.00
	International Inc.	Professional Corporation	Workers'							
			Compensation Cost Containment &			ļ		1		Va. 20 (1)
			Recovery Services			1				
		_								64 MART
7	Cinram	HR Technologies	Sales Agreement		290 North Queen Street		Etobicoke	ON	M9C 5K4	\$0.00
	International Inc. Cinram	HR Technologies	License Agreement		290 North Queen	· ·	Etobicoke	ON	M9C 5K4	\$0.00
	International Inc.	I III TOURIOUSIUS	(December 8, 2005)		Street			1		RITTEL:
							1			D. J. S. Liber
			A		290 North Queen		Etobicoke	ON	M9C 5K4	\$0.00
	Cinram International Inc.	HR Technologies	License Agreement (July 13, 2006)		Street		Libbicone	J***		
	international inc.		(36)7 13, 2000)				<u></u>			That I be
10	Cinram	HR Technologies	Software		290 North Queen		Etobicoke	ON	M9C 5K4	\$0.00
	International Inc.		Maintenance		Street					
		_	Agreement		290 North Queen		Etobicoke	ON	M9C 5K4	\$0.00
11	Cinram	HR Technologies	Hardware Maintenance		Street	1	LEGGICONE	"		
	international Inc.		Agreement			l			L	
12	Cînram	Cintas	Standard Uniform		3370 Dundas Street		Toronto	ON	M6S 2S2	\$1,102.32
	International Inc.		Rental Service		West	1		1	1	
L			Agreement	Asses Addah alla	5250 Neil Road	Suite 101	Reno	NV	89502	\$0.00*
13	Cinram	WRS Materials	Consigned Inventory	Attn: Michelle Hannah	5250 Nell Road	Julie 101	Keno	"	100000	
	Manufacturing LLC		Agreement	, iainian						7.346.7
14	Cinram	Penguin Group (USA) Inc.		_	375 Hudson Street		New York	NY	10014	\$0.00
	Manufacturing LLC		Conditions of Sale]		1				4.7
L.		word to be	Cash Collateral	Attn: Angle Aucoin	2222 Argentia Del	Suite 400	Mississauga	ON	L5N 2X7	\$0.00
15	Cinram International Inc.	PHH Vehicle Management Services	Agreement	Attn: Angle Aucoin	2233 Argentia No	Suite 400	Mitasiasaugu	10.1	5.42.0	
	mternational inc.	Inc.	Biccilian	1					<u> </u>	MARIE
16	Cinram	PHH Vehicle	Card Services	Attn: Angle Aucoin	2233 Argentia Rd	Suite 400	Mississauga	ON	L5N 2X7	\$0.00
	International Inc.	Management Services	Agreement		ĺ			1	1	
$oxed{oxed}$		Inc.	N. At		5800 Windward	 	Alpharetta	GA	30005	\$14,963.29
17	Cinram (U.S.)	ADP, Inc.	National Account Services Master	1	Parkway	1	Aiptiaretta	اتم		
	Holding's, Inc.		Services Master		, and a					
								1		

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