

News Release

FOR IMMEDIATE RELEASE

CINRAM INTERNATIONAL ACQUIRES 1K STUDIOS

Move Positions Hollywood's Leading Media Manufacturer and Logistics Provider for Growth in Emerging Technology and Digital Content Delivery

TORONTO – (January 31, 2011) - Cinram International Income Fund (“Cinram” or the “Fund”) (TSX: CRW.UN), today announced the acquisition of Los Angeles-based digital media company 1K Studios. The move is part of a broad initiative to advance Cinram, a provider of media delivery services around the world, further into digital platforms.

1K specializes in building enhanced consumer experiences for movies, TV shows, music, books and games. The company has been a key service provider to many of the world's top media & technology companies including Paramount Home Entertainment, Apple, HBO, and Warner Bros Home Entertainment. 1K provides creative and technical services to these companies to help them release their content in different venues including digital downloads, mobile and tablet apps, advanced Blu-ray discs, stereoscopic 3D and social media.

These services will be integrated with Cinram's existing media production and logistics business, creating an end-to-end supply chain with significant competitive advantages for its customers. The new expertise will play an important role in Cinram's effort to identify and evaluate additional opportunities to add to the company's client offering.

“In the ever-evolving digital landscape, we must adapt our business model to meet our partners' needs,” said **Steve Brown, Chief Executive Officer for Cinram International, Inc.** “No matter how the delivery methods change, consumers continue to demand exciting experiences. 1K Studios is proven in delivering innovative, creative and valuable digital content. I'm convinced that with our combined resources and know-how we'll offer clients a superior service.”

“Cinram has a long history of re-inventing itself as media has advanced over the decades. We're excited by the challenge of helping to bring about another transformation” said **Matt Kennedy, co-founder of 1K Studios.** “We're very enthusiastic about the prospects of our ideas, and emerging businesses being fostered inside Cinram's global business infrastructure.”

The deal will consolidate a network of client relationships that includes all of the major U.S. and European movie and TV studios, record companies, and game distributors, as well as numerous publishers and technology companies.

1K Studios management and team of specialized designers, programmers, information architects, animators and content producers will continue to operate from their existing Los Angeles studio.

<http://www.cinram.com/media-1k>

Cinram International Inc., an indirect, wholly-owned subsidiary of the Fund, is one of the world's largest providers of pre-recorded multimedia products and related logistics services. With facilities in North America and Europe, Cinram International Inc. manufactures and distributes pre-recorded DVDs, audio CDs, and CD-ROMs for motion picture studios, music labels, publishers and computer software companies around the world. Cinram now also provides distribution and logistics services to the telecommunications industry in North America through its wireless subsidiaries. The Fund's units are listed on the Toronto Stock Exchange under the symbol CRW.UN. For more information, visit our website at www.cinram.com.

1K|Studios is a digital media firm based in Los Angeles and founded in 1998. The company specializes in building enhanced consumer experiences for movies, TV shows, music, books and games. 1K was recently involved in the launch of Apple's iTunes Extras and LP enhanced digital download format, helping several studios and record companies design, program and deliver movies and music using the new formats. Their work is featured in various forms on hundreds of top-selling Blu-ray releases, including three top honor award winners at Variety Magazine's Home Media Awards this fall: Paramount's Star Trek, HBO's True Blood series and Warner Brothers' Wizard of Oz Collector's Edition. The company is also currently developing several iPad applications to be announced in the coming months.

Certain statements included in this release constitute "forward-looking statements" within the meaning of applicable securities laws. Such forward-looking statements include statements concerning the possible effects of the transactions described herein, and the likelihood of their successful completion. Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Fund, or results of the multimedia duplication/ replication industry, to be materially different from any future results, performance or achievements expressed or implied by such forward looking statements. Such factors include, among others, the following: the Fund's ability to retain major customers; general economic and business conditions, which will, among other things, impact the demand for the Fund's products and services; multimedia replication industry conditions and capacity; the ability of the Fund to implement its business strategy; the Fund's ability to invest successfully in new technologies and other factors which are described in the Fund's filings with the securities commissions. These risks may affect the achievement of the expected results of the transactions described herein. There can be no assurance that the said transactions will be successfully completed or that, if completed, the expected consequences will result in whole or in part, and the deviations from such expectations may be material.

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