

8 February 2012

Synchronica plc
("Synchronica" or "the Company")

**Synchronica Signs Letter of Intent with Intertainment Media
relating to Co-development agreement and Investment in Synchronica**

[Synchronica plc](#) (AIM: SYNC) (TSX Venture: SYN), the international provider of next-generation mobile messaging services announces that it has signed a Letter of Intent with Intertainment Media Inc. ("Intertainment Media") (TSX Venture: INT / OTCQX: ITMFT / FRA: IT4), a Toronto-based technology incubator and developer of Rich Media Applications, including the global leading real time experiential language platform, Ortsbo.com.

Synchronica and Intertainment Media intend to integrate Synchronica's flagship messaging platform, Mobile Gateway, with Intertainment Media's Ortsbo experiential language technology. This will enable Mobile Gateway to provide its users with seamless and real-time translation between more than 50 languages potentially across Synchronica's growing client base of over 100 mobile operators and device manufacturers around the world

In addition, Synchronica will enter a joint venture agreement with Intertainment Media and its subsidiary Ortsbo Inc., in which the parties will license their respective Intellectual Properties to a new subsidiary. The subsidiary, which will be jointly-owned by both parties, will allow Synchronica and Intertainment Media to further develop each other's products, share R&D efforts, enlarge each other's business development activities and drive revenue and profitability for both companies from new projects.

It is envisaged that Synchronica will demonstrate the Ortsbo technology, fully integrated with Mobile Gateway, in time for Mobile World Congress 2012 in late February (www.mobileworldcongress.com). In late 2011, with a view to aligning its costs to its recurring revenue billings, Synchronica informed shareholders that it was implementing several cost reduction initiatives across the entire business. The Board of Directors also committed to manage its cash carefully, while also seeking further funding opportunities which would accelerate the business and drive shareholder value.

This joint venture agreement will represent the first step in this commitment, with Intertainment Media making a strategic investment into Synchronica. As part of the transaction, Intertainment Media will, subject to Synchronica shareholder approval, invest up to CDN \$ 10 million in Synchronica, at a minimum price of GBP 0.16 per unit. Each unit will comprise one ordinary Synchronica share, plus one ordinary share warrant, exercisable at CDN \$0.40 per share, at any time within two years of issue.

The transaction is subject to the completion of satisfactory due diligence, the execution of legally-binding agreements, as well as necessary board and regulatory approvals.

Synchronica will shortly seek shareholder and necessary approvals for Intertainment Media's first investment of CDN \$1m. These additional funds will be used for additional working capital and to integrate the Ortsbo language technology with Synchronica Mobile Gateway. Subject to shareholder and necessary approvals, Intertainment Media will make a further investment in March 2012, of between a minimum of CDN \$1m and a maximum of CDN \$5m.

"Synchronica Mobile Gateway has strong sector revenue and is already used by more than 100 of the world's most successful mobile operators and device manufacturers," **says David Lucatch, CEO of Intertainment Media and Ortsbo.** "Several of Synchronica's customers have multinational properties, and by providing on-the-fly translation with Ortsbo, they add even greater value to their service offerings and sector leadership. Intertainment Media is all about investing, nurturing and developing leading edge technologies, digital and social media platforms. Synchronica ticks all of these boxes, and we're excited about the prospects of our cooperation and a strong future together."

"This is a new and exciting partnership for Synchronica," **adds Synchronica's CEO, Angus Dent.** "It will allow us to immediately enrich Mobile Gateway with real-time conversational translation services, which will really appeal to our new and existing customers. Ortsbo complements Synchronica Mobile Gateway, and together we're able to provide a unique possibility for our customers to position themselves as the hub for social interaction, regardless of geographical or language limitations. Intertainment Media owns and operates several key technologies, and we believe this co-development agreement and investment will create significant value for Synchronica shareholders."

About Synchronica

Synchronica plc is a leading developer of standards-based, next-generation mobile messaging solutions for mobile operators and device manufacturers. The Company's flagship product - Synchronica Mobile Gateway - provides pre-RCS push email, synchronisation, instant messaging (IM), and social networking services to any mobile phone currently in use. Synchronica's patented transcoding technology uses advanced streaming to download email attachments and dramatically reduce the consumption of wholesale network bandwidth by as much as 90 percent.

Synchronica's white-labelled products are licensed by more than 100 mobile operator and device manufacturer customers from emerging and developed markets, delivering mass market messaging services across the entire customer base, providing competitive advantage, diversifying revenues, and reducing churn.

Synchronica is headquartered in the United Kingdom and has a regional presence in Canada, as well as the USA, Hong Kong, Spain, and Dubai. Synchronica also operates dedicated development centres in Germany and the Philippines. A public company, Synchronica is traded on the AIM list of the London Stock Exchange (SYNC) and the Venture Exchange of the Toronto Stock Exchange (SYN). For further information, please visit www.synchronica.com

About Intertainment Media Inc. - www.intertainmentmedia.com

Intertainment Media Inc. is one of Canada's leading technology incubators and is focused on developing, nurturing and investing in technologies and companies that provide technology solutions for brands and consumers alike.

Intertainment Media also owns and operates a number of key properties including Ad Taffy, itiBiti, Ortsbo, Deal Frenzy and Magnum, with investments in leading edge technologies and social media platforms including theaudience.com . For more information on the Company and its properties, please visit www.intertainmentmedia.com

Headquartered in the Toronto, Canada region, with offices in New York, Los Angeles and San Mateo, CA, Intertainment Media Inc. is listed on the Toronto Venture Exchange under the symbol "INT" (TSXV:INT) and in the US on the OTCQX Exchange under the symbol "ITMTF". Intertainment is also traded in Europe, on the Frankfurt Exchange on the XETRA trading platform under the symbol "I4T".

For further information, please contact David Lucatch, CEO at dlucatch@intertainmentmedia.com + 1 905-763-3510

About Ortsbo Inc. www.ortsbo.com

With over 40 Million monthly users in over 170 countries and territories, Ortsbo enables real-time conversational translation in over 50 languages and seamlessly integrates with today's most popular social media platforms. Ortsbo's flagship product for social media supports global communications with instant translation capability, real time multi-lingual social media chat connects to PC and Mac computers, mobile browsers as well as all major chat platforms including MSN, Google, Facebook, Twitter and Yahoo! and others.

Ortsbo allows users to communicate with family, friends and colleagues around the world, providing users with the ability to break down language and cultural barriers through its easy to use, language centric interface. Ortsbo also provides plug-in email translation capabilities for Microsoft Outlook.

Ortsbo's Live & Global platform offers a unique solution for broadcasting events to a global audience, with video and real time, multi-lingual chat. Ortsbo currently hold the Guinness World Record for the most nationalities in an online chat.

For further information, please contact David Lucatch, CEO at dlucatch@intertainmentmedia.com + 1 905-763-3510

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The foregoing information may contain forward-looking statements relating to the future performance of Synchronica. Forward-looking statements, specifically those concerning future performance, are subject to certain risks and uncertainties, and actual results may differ materially from Synchronica's plans and expectations. These plans, expectations, risks and uncertainties are detailed herein and from time to time in the filings made by Synchronica with the TSX Venture Exchange and securities regulators. Synchronica does not assume any obligation to update or revise its forward-looking statements, whether as a result of new information, future events or otherwise.