



INTERENTAINMENT MEDIA PROVIDES ORTSBO TRANSACTION UPDATE

Company intends to increase proposed distribution to shareholders to reach up to 30%

TORONTO, CANADA – January 20, 2012 – Intertainment Media Inc. ("Intertainment" or the "Company") (TSXV: INT / OTCQX: ITMTF / XETRA FRA: I4T) is pleased to provide a further update on the status of its subsidiary, Ortsbo Inc. ("Ortsbo") as the Company continues to move forward with its plans to spin out Ortsbo as a separate public entity, and with the intention to initiate the process to "spin out" Ortsbo as an independent structure for listing on senior Exchanges in Canada and the United States. This transaction will be subject to all applicable board, shareholder and regulatory approvals.

The Company, since late November, has continued to meet with Investment Brokerage and Private Banking entities, and received significant interest in Ortsbo for additional financing and public market structures. As previously announced, the Company has already received interest for a lead order of \$20 Million from a US Institution at an anticipated pre-money valuation for Ortsbo Inc. of a minimum \$210 Million USD. Given the increased interest, the Company anticipates finalizing its spin out structure, valuation and opening its financing book shortly.

As previously announced, management has presented, as part of the initial strategic plan, a proposal to issue subject to tax and regulatory review, in conjunction with the completion of the proposed spin out, the Company would affect a dividend whereby shareholders of Intertainment, as of an effective record date, will, in total, receive up to 20% of the pre-money value of Ortsbo by way of common stock received by Intertainment in the new Ortsbo publicly listed entity. Under the terms of the proposal, the dividend will be distributed to record date shareholders as Ortsbo common stock. Given further review of the potential value and costs associated with the proposed spin out, management has revised its presentation, under the same terms and conditions, to increase the distribution to shareholders to up to 30%. The Company will announce the record date for this distribution and other activities shortly.

As part of the process, the intention is for Intertainment to retain significant interest in the new enterprise, allowing it to gain from any increase in valuation of Ortsbo as an independent company and to use those gains to continue to develop and support exciting new technology and new media assets with the goal of creating additional independent enterprises. This strategy is consistent with Intertainment's mandate to create, nurture and invest in high growth enterprises.

With the guidance and foresight of Intertainment's strategic investment and incubation program, Ortsbo has quickly grown to over 40 Million Monthly Unique Users and has generated in excess of 1.3 Billion minutes of User Engagement, surpassing growth of Facebook, Gmail, Foursquare and other major social media platforms in its first year. To

capitalize on the increasing enterprise valuations in the social media sector, Intertainment feels that the best methodology for continued increased value is to allow Ortsbo to grow as an independent firm.

"Management and the Board of Intertainment, along with our strategic advisors feel that the value and the Ortsbo brand, along with future opportunities would be accelerated as an independent company," **said David Lucatch, CEO of Intertainment Media Inc. and Ortsbo Inc.** "To unlock the value and potentially gain from the future of Ortsbo, we feel that potential senior Exchange listings are the ideal opportunity to foster this objective, giving our current and future shareholders a stake in the growth of Ortsbo while validating the Intertainment incubation model."

The Company will provide further details as they become available.

Intertainment Media Inc. has issued, subject to regulatory approval, 9.365 Million common share stock options to management and insiders at a price of \$0.465 CDN in accordance with the Company's stock option plan, vested over a maximum of three (3) years, with an expiry of a maximum of five (5) years. The Corporation has determined that exemptions from the various requirements of TSX Venture Exchange Policy 5.9 are available for the granting of the options.

About Intertainment Media Inc. www.intertainmentmedia.com

Connecting people with brands, Intertainment Media Inc. is a Rich Media Applications leader, focused on delivering leading edge technology and marketing solutions enabling clients to power enhanced branding, loyalty initiatives and consumer engagement.

Selected as a Microsoft Global Agency Initiative partner, Intertainment has joined an elite group of interactive agencies worldwide that Microsoft recommends to its Partners and Customers. Intertainment owns a number of key properties including Ortsbo, Ad Taffy, itiBiti and Magnum Fine Commercial Printing Limited.

Intertainment Media owns and operates a number of key properties including Ad Taffy, itiBiti, Ortsbo and Magnum. 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".

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To learn more, please visit: www.intertainmentmedia.com

This press release shall not constitute an offer to sell or the solicitation of an offer to buy any securities in any jurisdiction

Reader Advisory

Certain statements contained in this press release may constitute forward-looking statements. These statements relate to future events or Intertainment's future performance. All statements other than statements of historical fact may be forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "plan", "continue", "estimate", "expect", "may", "will", "project", "predict", "potential", "targeting", "intend", "could", "might", "should", "believe", and similar expressions. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. Intertainment believes that the expectations reflected in those forward-looking statements are reasonable, but no assurance can be given that these expectations will prove to be correct and such forward-looking statements included in this press release should not be unduly relied upon by investors. These statements speak only as of the date of this press release and are expressly qualified, in their entirety, by this cautionary statement.

In particular, this press release contains forward-looking statements pertaining to the following: the "spin out" of Ortsbo, the independent applications of Ortsbo for listing on senior Exchanges in Canada and the United States, third party financing and the pre-money valuation for Ortsbo. With respect to forward-looking statements contained in this press release, Intertainment has made assumptions regarding, among other things: acceptance of its products in the marketplace; the legislative and regulatory environment; the Corporation's operating cost structure; current and future trends in social media advertising; market demands; and the Corporation's ability to raise capital. Intertainment's actual results could differ materially from those anticipated in these forward-looking statements as a result of risk factors that may include, but are not limited to: overall economic conditions; the early stage of the Corporation's Ortsbo businesses; uncertainty of revenues, markets and profitability; the need to obtain required approvals from regulatory authorities; the Corporation's lack of product revenues and history of operating losses; technological changes; dependence on the Internet; demand for the Corporation's products; the introduction of competing technologies; the availability of capital on acceptable terms; and ability to raise capital.

This forward-looking information represents Intertainment's views as of the date of this release and such information should not be relied upon as representing its views as of any date subsequent to the date of this release. Intertainment has attempted to identify important factors that could cause actual results, performance or achievements to vary from those current expectations or estimates expressed or implied by the forward-looking information. However, there may be other factors that cause results, performance or achievements not to be as expected or estimated and that could cause actual results, performance or achievements to differ materially from current expectations. There can be no assurance that forward-looking information will prove to be accurate, as results and future events could differ materially from those expected or estimated in such statements. Accordingly, readers should not place undue reliance on forward-looking information.

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.