

**FOR IMMEDIATE RELEASE**

## **iMedia International Completes Reorganization, Sets Sights on Expanding Digital Content Distribution Across the Web**

*iMedia also completes reverse stock split, changes ticker symbol to IMED.PK and raises \$750,000*

**SANTA MONICA, Calif. – January 3, 2008** – iMedia International, Inc. (IMED.PK), an interactive content solutions company, today announced that it has entered into a reorganization agreement to convert outstanding debt, preferred stock and certain accredited vendor payables into equity, strengthening the company's financial position. In addition, the reorganization allows iMedia to focus on expanding the distribution of digital brands and high-quality, interactive content. The company's flagship product, [Hollywood Previews](#), which has historically been distributed on CD-ROMs through insert programs with major newspapers, has been repositioned for online distribution with agreements already in place servicing online properties in major metropolitan markets such as Los Angeles, Atlanta, South Florida, Pittsburgh, and internationally in Toronto, Canada, with several additional markets scheduled to be added throughout 2008.

As part of the agreement, more than \$15 million of iMedia's current liabilities and preferred stock will be exchanged for equity representing approximately 80 percent of the company's outstanding shares of common stock. The agreement also required [iMedia](#) to adopt a stock ownership plan, enter into employment agreements with three of the company's executive officers and directors, and obtain stockholder approval of and effect a 26-for-1 reverse stock split of outstanding shares of common stock. The reverse split was approved in August 2007 and took effect on December 21, 2007. Beginning January 2, 2008, iMedia's ticker symbol changed to IMED.PK.

"For the past couple of years, iMedia has been constrained by a challenging capital position," said Henry Williamson, chief executive officer of iMedia International, Inc. (IMED.PK). "Today's announcement is about letting the world know that [iMedia](#) is alive and well, armed with a new vision that will leverage our expertise and technology, as well as the competitive advantages that we have attained from prior investments, to expand our reach across the web. During the last several months, we have made difficult decisions in terms of executive leadership and staffing, and as a result, iMedia is now a much more agile organization that has the right products and people to be successful."

iMedia (IMED.PK) has raised \$750,000 under terms of a financing agreement with Williamson, who was issued 5,082,504 shares of iMedia's common stock in exchange for the investment. In addition, under the terms of the reorganization agreement, [iMedia](#) may issue up to 5,082,504 additional shares of common stock for up to \$750,000 of additional consideration for up to six weeks from the closing date.

"Being able to reorganize our debt and raise the necessary capital to continue to invest in our [digital content](#) and technology was tremendously important for our company," added Williamson. "My personal investment and our executive management team's ongoing deferment of a quarter of its monthly compensation demonstrate our commitment to iMedia and our confidence in the potential of our products and services. We know we can be successful, and this is the first of several announcements that will help our shareholders get a better understanding of the new iMedia."

iMedia (IMED.PK) has filed an 8-K with the SEC that provides more specific details on the company's reorganization. Shareholders and potential investors can read the 8-K in its entirety at [www.imedia-us.com](http://www.imedia-us.com).

### **About iMedia International, Inc.**

iMedia International, Inc. (IMED.PK) is an interactive content solutions company founded on the premise of creating high ROI marketing programs using new digital applications and entertainment content aggregation to help clients truly engage their customers in the ever-changing media landscape. iMedia creates custom digital marketing solutions and proprietary software marketing systems with comprehensive media reporting feedback for its clients, including strategic planning, content origination, aggregation and production, online and disc audio/video design, authoring, editing and compression, disc packaging, manufacturing and distribution. iMedia's flagship product, *Hollywood Previews*, is available online as a co-branded partner or through "white-label" relationships, and through co-sponsored CD-ROM insert programs in major newspapers and magazines. *Hollywood Previews* delivers several hours of digital entertainment content covering everything from movies to video games. iMedia's Digital Direct product line features iMedia's proprietary iReporting™ real-time, online tracking system, which provides quantitative data on disc viewer usage patterns and effectiveness of iMedia marketing and promotional campaigns. Clients include several Fortune 500 companies. For more information on iMedia International, visit [www.imedia-us.com](http://www.imedia-us.com).

### **Forward-Looking Statements**

*The information in this news release includes certain forward-looking statements that are based upon assumptions that in the future may prove not to have been accurate and are subject to significant risks and uncertainties, including statements regarding the future financial performance of the Company. Although the Company believes that the expectations reflected in its forward-looking statements are reasonable, it can give no assurance that such expectations or any of its forward-looking statements will prove to be correct. Factors that could cause results to differ include, but are not limited to, successful performance of internal plans, product development and acceptance, the impact of competitive services and pricing, general economic risks and uncertainties, and various other information detailed from time to time in the Company's filings with the United States Securities and Exchange Commission. The Company undertakes no obligation to publicly revise these forward-looking statements to reflect events or circumstances that arise after the date thereof. Please refer to the reports previously filed with the SEC by the Company at <http://www.sec.gov>.*

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