

Corel Securityholders' meeting set for August 20, 2003

London, July 28, 2003 – Corel Corporation (NASDAQ: CORL, TSX: COR) has announced that the Ontario Superior Court of Justice has granted an interim order setting August 20, 2003 as the date for a Special Meeting of Corel securityholders to vote on a Plan of Arrangement which would result in the Vector Capital group acquiring all the common shares of Corel for US \$1.05 (or approximately Cdn \$1.48 based on recent exchange rates) per share.

The meeting will be held at 4:00 p.m. Eastern, at the Holiday Inn on King, 370 King Street West, Toronto, for holders of: Corel common shares; Series A participating convertible preferred shares, and; options, warrants or other securities (excluding Series A Shares) exercisable for, convertible into or exchangeable for common shares for less than US \$1.05 per share.

The transaction, announced by Corel and Vector on June 6, 2003, is proceeding by way of a Plan of Arrangement under the Business Corporations Act (Ontario) and is subject to court and shareholder approvals, including the approval by the majority of holders of common shares, other than shares held by the Vector Capital group, on the Plan of Arrangement.

Corel securityholders will also vote on other resolutions required to complete the Plan of Arrangement and the acquisition at the meeting. Full details of the transaction and resolutions are included in the Notice of Special Meeting of Securityholders and Management Proxy Circular which should be received by all Corel securityholders within the next few days.

“The vote for this Special Meeting is critically important in helping to decide the future of Corel. We hope that all Corel securityholders will participate, in person or by proxy, in voting on the Plan of Arrangement and other resolutions required to complete the acquisition. We believe this transaction provides Corel securityholders with their best opportunity today to maximise the value of their shareholdings,” said Derek Burney, Corel’s president and CEO.

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Added Mr. Burney: "In addition to the immediate benefits available to shareholders, we believe Vector's involvement in the company will put Corel in a stronger position over the longer term, making us better able to compete in increasingly challenging markets and with greater time and focus to develop exceptional products, further enhance our level of service to customers, and provide our employees with new and interesting opportunities."

CIBC World Markets Inc. has provided the Corel Board of Directors with its opinion that the consideration to be paid to holders of Corel common shares is fair from a financial point of view. Based on this and other considerations that are described in the Management Proxy Circular, and after a thorough review of the available strategic alternatives, the Corel Board of Directors has agreed to recommend that Corel securityholders approve the Plan of Arrangement and related matters, subject to the Board's fiduciary obligation to recommend a superior proposal, should one emerge prior to the Special Meeting.

In addition, pursuant to certain securities law requirements, a Formal Valuation of the issued and outstanding common shares as at May 31, 2003 was prepared for the Corel Board of Directors by KPMG Corporate Finance Inc. which valued the common shares in a range of US \$1.00 to \$1.08. Full details of the KPMG Formal Valuation are included as part of the Management Proxy Circular.

"The US \$1.05 per share cash being offered to Corel shareholders is full and fair value and represents a 42 per cent premium over the market price of the shares before the announcement of negotiations on March 24, 2003," said Alex Slusky, Managing Partner of Vector Capital. "The Board of Corel has received the fairness opinion of its financial advisors, as well as an independent valuation of the company that places the Vector offer in the high end of the valuation range."

Corel has appointed MacKenzie Partners Inc. as proxy solicitation agents for the Special Meeting. MacKenzie will be contacting shareholders and will be available to respond to shareholder inquiries.

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Notes to Editors

About Corel Corporation

Founded in 1985, Corel Corporation (www.corel.com) is a leading technology company specialising in content creation tools, business process management and XML-enabled enterprise solutions. The company's goal is to give consumers and enterprise customers the ability to create, exchange and instantly interact with visual content that is always relevant, accurate and available. With its headquarters in Ottawa, Canada, Corel's common stock trades on the Nasdaq Stock Market under the symbol CORL and on the Toronto Stock Exchange under the symbol COR.

Vector Capital

Vector Capital is a San Francisco-based venture capital and private equity firm focused on special opportunity investments in software and software-enabled services. Vector serves the needs of growing software companies by actively partnering with their management in creating value for their customers and shareholders. Vector Capital's investments include LANDesk Software, Savi Technology and ProcessClaims. Additional information about Vector Capital can be obtained at www.vectorcapital.com.

This press release contains forward-looking statements as defined by the United States Private Securities Litigation Reform Act of 1995, involving the company's expectations about future financial results and other matters. These statements reflect management's current forecast of certain aspects of the company's future business. These forward-looking statements are subject to certain risks and uncertainties that could cause actual results of operations to differ materially from historical results or current expectations. The words "plan", "expect", "believe", "intend", "anticipate", "forecast", "target", "estimate" and similar expressions identify forward-looking statements. Risk factors include shifts in customer demand, product shipment schedules, product mix, competitive products and pricing, technological shifts and other variables. Readers are referred to Corel's most recent reports filed with the Securities and Exchange Commission for a more complete discussion of the other risks and uncertainties. The factors underlying forecasts are dynamic and subject to change. As a result, forecasts speak only as of the date they are given and do not necessarily reflect the company's outlook at any other point in time. The company does not undertake to update or review these forward-looking statements.

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