



Corel Corporation Reports First Quarter 2007 Financial Results

Ottawa, Canada – April 19, 2007 – Corel Corporation (NASDAQ:CREL; TSX:CRE) today reported financial results for its first quarter ended February 28, 2007. Revenues in the first quarter of fiscal 2007 were \$52.6 million, an increase of 19% over revenues of \$44.3 million in the first quarter fiscal 2006. GAAP net loss in the first quarter of fiscal 2007 was \$11.9 million, or (\$0.48) per share, compared to a GAAP net loss of \$1.6 million, or \$(0.08) per share in the first quarter of fiscal 2006.

Non-GAAP adjusted net income for the first quarter fiscal 2007 was \$2.7 million, or \$0.11 per diluted share, compared to non-GAAP adjusted net income for the first quarter of fiscal 2006 of \$6.8 million, or \$0.33 per diluted share. Non-GAAP adjusted EBITDA in the first quarter of 2007 was \$8.7 million, compared to \$14.4 million in the first quarter of fiscal 2006.

A reconciliation of GAAP net income to non- GAAP adjusted net income and non-GAAP adjusted EBITDA is provided in the notes to the financial statements included in this press release.

"With revenue at the high end of our guidance and earnings above guidance, Q1 was another solid quarter for Corel as we reported our first combined results for Corel and InterVideo," said David Dobson, CEO of Corel Corporation. "The strength of our existing portfolio was demonstrated through the performance of WinZip, iGrafx, CorelDRAW Graphics Suite and Paint Shop Pro. We achieved these results while completing the acquisition of InterVideo and establishing a new Digital Media business to pursue the significant market opportunities we see ahead."

Added Mr. Dobson: "I am pleased with the progress we have made in advancing the integration and creating a global team that is well positioned in the rapidly growing digital media market. With a proven product portfolio, expanded distribution capabilities, and growing traction in developing and emerging markets, Corel is poised to capitalize on the growing market demand for compelling digital content that is easy to create and share."

Financial Guidance

Second Quarter Fiscal 2007 Guidance

Corel provided guidance for the second quarter ending May 31, 2007. The Company currently expects:

- Revenue in the range of \$62 million to \$64 million.
- GAAP net loss of \$1.5 million to net income of \$0.5 million and non-GAAP adjusted net income in the range of \$7.5 million to \$9.5 million.
- GAAP EPS of \$(0.06) to \$0.02 per share and non-GAAP EPS of \$0.28 to \$0.35 per share.

Fiscal 2007 Guidance

Corel provided guidance for the year ending November 30, 2007.

The Company currently expects:

- Revenue in the range of \$245 million to \$255 million
- GAAP net loss of \$9 million to \$6 million and non-GAAP adjusted net income of \$33 million to \$36 million.
- GAAP EPS of \$(0.35) to \$(0.20) per share and non-GAAP EPS of \$1.25 to \$1.40 per diluted share.

Corel will host a conference call to discuss its financial results at 4:30 p.m. Eastern Time today. To access the conference call, please dial (800) 289-0494 or (913) 981-5520. A live webcast and replay of the call will also be available through Corel's Investor Relations website at <http://investor.corel.com/events.cfm>.

Forward-Looking Statements:

This news release includes forward-looking statements that are based on certain assumptions and reflect our current expectations. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors that could cause the actual results, performance or achievements to differ materially from any future results, performance, or achievements discussed or implied by such forward-looking statements. Such risks include competitive threats from well-established software companies that have significantly greater market share and resources than us, new entrants that benefit from industry trends, such as the increasing importance of Internet distribution and open source software, and from online services companies that are increasingly seeking to provide software products at little or no incremental cost to their customers to expand their Internet presence and build consumer loyalty. We rely on a small number of key strategic relationships for a significant percentage of our revenue and these relationships can be modified or terminated at any time. In addition, our core products have been marketed for many years and the packaged software market in North America and Europe is relatively mature and characterized by modest growth. Accordingly, we must successfully complete acquisitions, penetrate new markets or increase penetration of our installed base to achieve revenue growth. In addition, we face risks related to the acquisition of InterVideo, Inc., including the risk that disruption from the transaction may make it more difficult to maintain relationships with customers, employees, or suppliers. We face potential claims from third parties who may hold patent and other intellectual property rights which purport to cover various aspects of our products and from certain of our customers who may be entitled to indemnification from us in respect of potential claims they may receive from third parties related to their use or distribution of our products.

These and other risks, uncertainties and other important factors are described in Corel's Prospectus dated April 25, 2006, filed with the Securities and Exchange Commission (The SEC) pursuant to Rule 462(b) of the rules and regulations under the Securities Act of 1933 and Corel's other filings with the SEC including Corel's form 10-Q for the quarter ended August 31, 2006 under the caption "Risk Factors" and elsewhere. A copy of the Corel Prospectus and such other filings can be obtained on Corel's website or on the SEC's website at <http://www.sec.gov>. <http://www.sec.gov/> Certain of such risks are also included in Corel's Canadian supplemented PREP prospectus dated April 25, 2006 available at <http://www.sedar.com>. In addition, these and other risks can be found in InterVideo's previous reports filed with the SEC under the caption "Risk Factors" and elsewhere, including InterVideo's 10-Q for the quarter ended September 30, 2006, which can be found on InterVideo's website or on the SEC's website at <http://www.sec.gov>. Forward-looking statements speak only as of the date of the document in which they are made. We disclaim any obligation or undertaking to provide any updates or revisions to any forward-looking statement to reflect any change in our expectations or any change in events, conditions or circumstances on which the forward-looking statement is based.

Financial Presentation and Use of Non-GAAP Measures:

Our financial statements have been prepared in accordance with U.S. generally accepted accounting principles, or GAAP, which differ in certain material respects from Canadian generally accepted accounting principles. In addition, our financial statements and information in this release are presented in U.S. Dollars, unless otherwise indicated. This news release includes certain non-GAAP financial measures, such as adjusted net income and adjusted EBITDA. We use these non-GAAP financial measures to confirm our compliance with covenants contained in our debt facilities, as supplemental indicators of our operating performance and to assist in evaluation of our liquidity. These measures do not have any standardized meanings prescribed by GAAP and therefore are not comparable to the

calculation of similar measures used by other companies, and should not be viewed as alternatives to measures of financial performance or changes in cash flows calculated in accordance with GAAP. Reconciliations of these non-GAAP financial measures to the closest GAAP measures are set out in the notes to the financial statements attached to this news release.

About Corel Corporation

Corel is a leading developer of graphics, productivity and digital media software with more than 100 million users worldwide. The Company's product portfolio includes some of the world's most popular and widely recognized software brands including CorelDRAW® Graphics Suite, Corel® Paint Shop Pro®, Corel® Painter™, Corel DESIGNER®, Corel® WordPerfect® Office, WinZip® and iGrafX®. In 2006, Corel acquired InterVideo, makers of WinDVD®, and Ulead, a leading developer of video, imaging and DVD authoring software. Designed to help people become more productive and express their creative potential, Corel's software strives to set a higher standard for value with full-featured products that are easier to learn and use. The industry has responded with hundreds of awards recognizing Corel's leadership in software innovation, design and value.

Corel's products are sold in more than 75 countries through a well-established network of international resellers, retailers, original equipment manufacturers, online providers and Corel's global websites. The Company's headquarters are located in Ottawa, Canada with major offices in the United States, United Kingdom, Germany, China and Japan. Corel's stock is traded on the NASDAQ under the symbol CREL and on the TSX under the symbol CRE.

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