



COREL UNVEILS STRATEGY FOR NEXT-GENERATION DIGITAL IMAGING PLATFORM

*New Platform Will Give Customers and Partners Greater
Control and Flexibility In Customizing Their Software*

Maidenhead, UK, 28 June 2006 - (NASDAQ:CREL; TSX:CRE) Corel Corporation today announced plans to release a new modular digital imaging platform code-named "Alta." Representing the first hybrid product offering from Corel, Alta combines the speed, power, and security of desktop software with the connectivity and rapid enhancement cycle of Web-based applications. The first release from this new platform will be a free download that will be available by autumn 2006.

Once customers install the free version of Alta, they will have the tools they need to easily organise, enhance and share their digital photos and video clips. In addition, they will be able to add new functionality by upgrading additional components as they need them. This will provide customers and partners with unprecedented control and flexibility in customising their digital imaging and photo management software.

The Alta platform will also benefit Corel's partners. It will enable them to create a centralised hub incorporating digital imaging software and services for their customer bases. These partners will add a variety of new and popular online services to Alta, thus creating a comprehensive digital imaging ecosystem for their own consumers. From these partner sites, consumers will be able to quickly and easily manage, share, store and print all of their digital photos and videos from a single trusted source.

Webshots (www.webshots.com), a leading photo-sharing community and a property of CNET Networks, Inc., is a key partner that will be incorporated into the Alta digital imaging ecosystem. With the addition of Webshots, consumers will be able to process photo prints and photo gifts as well as share their images with Webshots' active photo sharing community for free.

"Corel's Alta platform provides a valuable tool in today's photo sharing landscape, allowing users to customize and seamlessly share their photos and videos with Webshots' vibrant community worldwide," said Amy McDonough, Director of Paid Services, Webshots.

By widely distributing modular versions of its award winning software, Corel is further expanding its distribution channels and establishing a broad base to upsell and cross sell consumers on additional functionality and complementary services. Over time, Corel plans to offer modular versions of other select products from its existing software product families.

"A key aspect of Corel's strategy is to expand our distribution channels and take advantage of new business models made possible by the growing importance of OEM and Internet channels," said Corel Chief Executive Officer David Dobson. "With our expanded strategy, customers will have easier access to their Corel software applications at any time and from anywhere."

"Corel is building on its strong position in full-featured desktop software, to lead the way to a new paradigm that provides greater convenience and flexibility for users," said Alexis Gerard, President of Future Image, an imaging-focused market research and consulting firm and host of the 6Sight™ Future of Imaging executive conference. "We expect the Alta platform to represent an important step forward in ease of use and accessibility. It will empower consumers to easily and inexpensively individualize the way that they find, edit, store and share their digital photos and videos. It will also empower partners to customise such solutions for their own customers," said Gerard.

Alta will be available via Corel's websites as well as through multiple online and partner channels beginning in autumn 2006.

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 of results to differ materially from any future results, performance or achievements discussed or implied by such forward-looking statements. These risks, uncertainties and other important factors are described in our Prospectus dated April 25, 2006, filed with the Securities and Exchange Commission pursuant to Rule 462(b) of the rules and regulations under the Securities Act of 1933. A copy of the Prospectus can be obtained on our website, or at www.sec.gov. Such risks are also included in our Canadian supplemented PREP prospectus dated April 26, 2006, available for free at <http://www.sedar.com>. 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.

About Corel Corporation

Corel is a leading global packaged software company with an estimated installed base of over 40 million users. The Company provides high quality, affordable and easy-to-use productivity, graphics and digital imaging software and enjoys a favorable market

position among value-conscious consumers and small businesses. Its products are sold in over 75 countries through a scalable distribution platform comprised of original equipment manufacturers (OEMs), Corel's domestic and international websites, and a global network of resellers and retailers. The Company's product portfolio features well-established, globally recognized brands including CorelDRAW® Graphics Suite, Corel® WordPerfect® Office, WinZip®, Corel® Paint Shop Pro®, and Corel Painter™.

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