Corel Announces Corel® Paint Shop Pro® Photo XI

*New Release Sets The Standard For Easy-to-Use,
Professional-Quality Image Editing Software At An Affordable Price*

Maidenhead, UK - 12 September 2006 - Corel Corporation (NASDAQ:CREL; TSX:CRE) today announced the release of Corel® Paint Shop Pro® Photo XI, a major new product release from its' award-winning digital imaging portfolio. The new flagship digital imaging software package continues the tradition of providing easy-to-use, professional-quality editing software at an affordable price. A complete digital photography toolkit that allows users to edit, manage and share their photos as well as create stunning photo projects, Paint Shop Pro Photo XI offers a range of versatile new features and enhancements that meet the needs of novices, photo hobbyists and professional photographers alike. In addition, business users will also find Corel Paint Shop Pro Photo XI an ideal solution for editing and enhancing photos used in a variety of corporate communications materials such as presentations, technical documentation, marketing collateral and emails.

Corel Paint Shop Pro Photo XI is the only image-editing solution that meets the requirements of the entire spectrum of digital camera users. Easier to use and learn than comparable products, it allows novices to correct their photos with simple one-step fixes and generate impressive results immediately. In addition, it allows photo hobbyists to create dazzling photo projects and master the basics of image editing while easing into more advanced editing techniques as their skills progress.   It also offers professional photographers a complete range of advanced image editing tools that give them unprecedented control as they edit their images - all at a much more affordable price than comparable products.

This release also offers several new features that are unique in the industry today including the Color Changer tool, the Time Machine and a built-in Photo Organizer.   The new Color Changer allows users to realistically change the color of an object or an area in a photo - such as clothing, painted objects or carpets - with just a few easy clicks. The resulting color change is incredibly realistic and natural because the Color Changer tool detects and analyses variations in brightness caused by real-world illumination and then reapplies the illumination to the new color to produce a highly realistic effect. The Time Machine lets users see what their photos would look like if they were taken in

another era - such as the Roaring 1920s or the Swinging 1960s, among others. It replicates the process by which photos were developed in various ages of photography to recreate a highly realistic look. In addition, the built-in Photo Organizer is a unique, customisable one-stop photo management center that locates photos within seconds. The Photo Organizer is built right into Corel Paint Shop Pro Photo XI which ensures a complete, seamless workflow experience while eliminating the need to switch between different applications for editing and organising.

"This new release builds on the great success of Corel Paint Shop Pro X which set the standard for ease of use and learning as well as discoverability of features. Based on user feedback, we've made major improvements to our award-winning integrated learning tools and photo adjustment features," said Blaine Mathieu, General Manager of Corel's Digital Imaging Business. "At the same time, we've added a dazzling array of new enhancement features such as the Color Changer and the Depth of Field Effect which lets users draw attention to a specific area of an image. And, we've added a full range of graphics, photo projects and picture frames that allow users to engage in creative projects such as scrapbooking and photo restoration."

Setting the Standard For Ease-Of-Use, Ease Of Learning and Discoverability Of Features
Corel Paint Shop Pro Photo XI allows users to reduce the time it takes to get impressive results through its highly intuitive Learning Center, a task-based menu that quickly allows novice users to become seasoned experts and experienced users to find key features quickly. Tools are intelligently organised by task within the Learning Center, enabling users of all skill levels to produce professional-looking results with no previous photo editing experience required. Ease-of-use is further enhanced through a series of one step photo fixes, which automatically adjust the color balance, contrast, clarity and saturation of an image. A Smart Photo Fix feature analyses a photo and suggests settings to auto-correct color, brightness, sharpness and saturation, all in one easy step while offering manual controls over specific picture adjustments for more advanced users.

Corel Paint Shop Pro Photo XI offers a number of new key features and major enhancements, including the following:

- **NEW Photo Organizer:** The Organizer is a one-stop photo management center that takes the guesswork out of finding photos that are built right into Paint Shop Pro Photo XI. Users can save time by searching for images on their computer by filename, date, file type or folder location. The ability to assign keywords, ratings

and other information to an image gives users even more ways to search for photos. The Organizer is customisable so users have several options that help integrate it into their workflow. In addition, metadata editing and the ability to view and extract frames from video files make the Organizer an essential, time-saving tool for hobbyists and professionals alike.

- **NEW Color Changer Tool:** The Color Changer Tool lets users easily and realistically change colors in their digital images. Rather than simply replacing a color, the Color Changer Tool detects and analyses variations in brightness caused by real-world illumination and reapplies the illumination to the new color to create a realistic effect.

- **NEW Time Machine:** A fun feature, the Time Machine lets users see what their photos would look like if they were taken in another era and processed using historical photo development processes from the 1830s to the 1980s.

- **NEW Film and Filters:** Corel Paint Shop Pro Photo XI lets users apply effects to an image to make it look as if it was taken with a variety of traditional film and filter types without having to invest in additional camera accessories or additional plug-in filters.

- **NEW Skin Smoothing:** An important new addition to the popular Makeover Tools, the Skin Smoothing feature lets users remove any wrinkles, blemishes or scars from the people in their photos.

- **NEW Quick Review:** Slide shows are the best way to share photos, and the Quick Review feature allows users to manage their slide shows quickly and easily. Quick Review allows users to apply a quick fix to a slide, set a rating for a slide, add captions and rotate images in a slide show.

- **NEW Photo Trays:** Photo Trays allow users to sort their photos, letting users group photos in batches for their convenience.

- **NEW Video File Compatibility:** Users can now make the most of video clips by viewing them and extracting freeze-frames from the clip.

- **Enhanced Curves and Levels:** The Curves and Levels dialog boxes give users exceptional control over some of the most critical image adjustments such as contrast, color and levels.

- **Enhanced Corel® Painter™ and Corel® Painter™ Essentials Compatibility:** Corel Painter and Corel Painter Essentials compatibility allows users to open and save images as RIFF files to create a seamless workflow with the world's most popular painting and illustration software.

- **Enhanced Crop Tool:** The Crop Tool provides users with the ability to get the exact dimensions they want in a snap.

- **Enhanced RAW Camera Support:** Users can open and edit RAW files from leading digital cameras.

Paint Shop Pro Photo XI also includes the new Corel® Snapfire™ Plus SE photo and video sharing software. Corel Snapfire Plus SE provides simple, yet powerful editing and creative tools that allow users to create and share striking multimedia slide shows called Snapfire Shows, as well as create personal photo projects like calendars, greeting cards, albums pages, certificates and more. Corel Snapfire Plus SE also includes a free 30 day preview of full Snapfire Plus features like PhotoSafe™ backup, simple video editing, more project creation options and enhanced Snapfire Show capabilities. Once the preview is over, users can continue using Corel Snapfire to share, enhance and organise digital photos and videos.

"With Corel Paint Shop Pro Photo XI, Corel is addressing the myriad users who need sophisticated image editing made absolutely simple," said Alexis Gerard, principal analyst with Future Image and chair of the 6Sight™ Future of Imaging conference. "The new Color Changer feature, for instance, will be extremely useful to a broad range of customers. Until now, comparable results were achievable only by graphics arts professionals, hobbyists, or others willing to invest in the necessary training. Corel has merged highly innovative digital image editing functionality that enables visual expression at a very high level, with a superior customer experience that guarantees ease-of-use and learning right out of the box."

Pricing and Availability
Priced at SRP £77 excl VAT for the full box and SRP £52 excl VAT for the upgrade, Corel Paint Shop Pro Photo XI is available immediately through www.corel.co.uk and in the coming weeks through Corel's global channel partners. To learn more about Corel's digital imaging portfolio or to download a free, fully functional trial version of Corel Paint Shop Pro Photo XI, please visit www.corel.co.uk

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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