



Corel Corporation Signs Definitive Agreement to Acquire InterVideo

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Acquisition Creates Industry's Broadest Portfolio of Digital Imaging and DVD Video Software; Transaction Positions Corel to Accelerate Revenue and Earnings Growth

Corel Corporation and InterVideo announced that the two companies have entered into a definitive agreement for Corel to acquire InterVideo, a leading provider of multimedia DVD software, in an all-cash transaction at a price of \$13 US per share or approximately \$196 M.

InterVideo's comprehensive suite of advanced digital video and multimedia software products allow users to record, edit, author, distribute and play digital multimedia content on PCs and other devices. In 2005, InterVideo acquired a majority interest in Ulead, a leading developer of video imaging and DVD authoring software for desktop, server, mobile and Internet platforms. These complementary solutions and the technologies they are based on have enabled InterVideo to deliver complete HD-DVD and Blu-Ray DVD solutions to market, just as the market for high definition video is beginning to gain momentum.

When the acquisition is completed, Corel will provide the industry's broadest portfolio of digital media software ranging from photo sharing and image editing products to advanced digital imaging, video editing, and high-definition DVD creation and playback software. Customers and partners will now have access to a full breadth of popular, award-winning digital media brands including WinDVD®, WinDVD Creator, Ulead® Photo Impact®, Ulead® VideoStudio™, Ulead DVD Movie Factory®, and Corel® Paint Shop® Pro- all from a single, trusted source.

By acquiring InterVideo, Corel is delivering on its strategy to accelerate revenue and earnings growth by acquiring complementary companies and technologies that will benefit from Corel's global sales, marketing, and distribution capabilities. With a robust product line, strategic partnerships with leading OEM manufacturers, and an established presence in Asia Pacific and Europe, InterVideo will provide Corel with added critical mass to efficiently serve the growing consumer demand for digital media software.

This acquisition is especially strategic for Corel given InterVideo's strength in Asian markets, including China, Taiwan and Japan- regions that Corel has targeted for expansion. InterVideo's development centers across China and Taiwan provide Corel with a solid base from which to broaden its footprint in these key regions.