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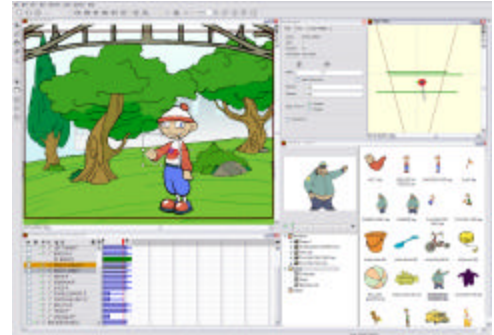
For Immediate Release

Toon Boom Announces the Beta Release of Toon Boom Studio v3 for Mac and PC

Montreal, May 17, 2005 – Toon Boom Animation announced today the Beta release of Toon Boom Studio v3 for Mac and PC. This latest Toon Boom Studio release enables users to build animations the easy way -- select artworks from existing libraries and animate using motion paths.

Toon Boom Studio V3 features a rich toolset that facilitates and simplifies the creation of cartoon animation projects:

- The New Free Transform tool enables users to apply any combinations of scaling, rotation, skewing to animate faster
- Users can also add text for effective communication in web presentations, comic strips and more
- Automated lip sync tools allow fast sound track synchronization
- Improved soundscrubbing enables accurate adjustments to the lip synchronization
- Users can animate with key frames and use interpolation to create animation faster
- The library enables users to save drawings, animation cycles and motions for reuse
- The time line makes it easy to organize layers, set the timing and attach motion paths to elements
- Cell-swapping and templates add even more speed to cartoon creation
- Users can easily create dollies, trucks, zooms, and other eye-catching camera moves, with the 3D space and camera



Toon Boom Studio V3 brings significant improvements to animation keyframing, asset reuse and lip synchronization – empowering artists to make better animations. In addition, this latest release offers a simplified user interface with Drawing and Sceneplanning modes unified into one single mode.

Only current customers with registered license key(s) are invited to participate in the Beta phase. Instructions will be sent to them directly.

The customer release is scheduled for early July 2005. All customers who purchase Toon Boom Studio between today and the customer release will receive the upgrade at no charge. Upon customer release, the v3 upgrade will sell at \$ 199.99 USD for V1/V2 customers and at \$ 99.99 USD for V2.5 customers.

About Toon Boom Animation Inc.

Building on over a decade of great successes, Toon Boom is the world-leading supplier of animation technology with high-tech tools such as morphing, inverse kinematics and glue. Toon Boom Animation Inc. carries several leading animation products, including Harmony, Opus and Toon Boom Studio. Harmony is a revolutionary solution designed to meet digital animation production needs, whether it is cut-out or paperless. Its superior toolset, with morphing, inverse kinematics and glue, makes it the solution for any studio wanting to create the highest-quality animation cost-effectively. Toon Boom Opus is the industry standard for traditional animation production. From scanning, inking and painting, to compositing and rendering, its powerful features translate into significant savings throughout the production process. As for Toon Boom Studio, this application is the ideal tool for artists and schools. Toon Boom also offers consulting and training services dedicated to increasing animation production efficiency and quality. With these great offerings, Toon Boom Animation is well poised to continue delivering quality, efficiency and reliability to the animation community - for all animation styles and formats.

Toon Boom's client base ranges from major studios creating Hollywood blockbuster animated films to individual animators creating their first masterpieces. Market-leading studios using Toon Boom's products include Nelvana, Klasky Csupo, Warner Bros., Paramount Pictures, Universal, Mercury Filmworks, Wild Brain, King Camera, Cromosoma and Lanterna Magica, to name a few.

In 2004, the Federation of Indian Chambers of Commerce & Industry honored Ms. Vogelesang, President and Chief Executive Officer of Toon Boom Animation, with the Life Time Achievement Award for promoting the Indian Animation Sector on the global map. Since 1999, Toon Boom has advocated the potential of India as an animation destination and has established a great working relationship with many successful studios.

For additional information, visit Toon Boom on the Web at www.toonboom.com.

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