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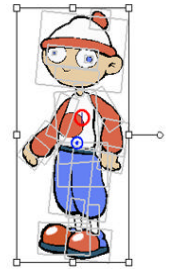
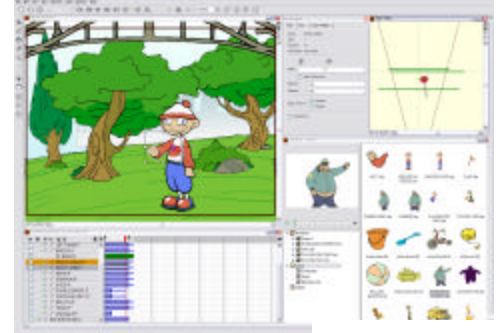
For Immediate Release

Toon Boom Studio V3 is Released

Montreal (July 6, 2005) – Toon Boom Animation announced today the release of Toon Boom Studio V3. Toon Boom Studio V3 has a number of new and enhanced features - including the new Text and Transform tools, as well as improvements to lip syncing - that make it easy for you to create cut-out animation.

Toon Boom Studio V3 is a great tool for playing with cut-outs: it includes a number of tools that simplify this animation style:

- 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 sound scrubbing 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



In addition, Toon Boom Studio V3 offers a simplified user interface as the Drawing and Sceneplanning modes are now one.

Toon Boom will be showcasing Toon Boom Studio V3 at Flashforward New York, from July 6th to 8th, 2005. A Technology Showcase titled *What will you animate now?* will be held on July 7th, at 11:30 am in the Sutton Place, at the New Yorker Hotel.

All orders that require shipping will be done during the month of July. All customers who purchase Toon Boom Studio V3 during the Pre-Sale Promo will receive their V3 license key(s) by email.

About Toon Boom Animation Inc.

Building on over a decade of great successes, Toon Boom Animation Inc. is the worldwide leader of animation software solutions with high-tech tools such as morphing, inverse kinematics and glue. Toon Boom carries several leading animation products, including Harmony, Opus and 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 individuals. 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. Some of the prestigious productions done with Toon Boom's technology include *Les Triplettes de Belleville*, *Looney Tunes: Back in Action*, *The Rugrats*, and *SpongeBob The Movie*.

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 at www.toonboom.com.

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