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FOR IMMEDIATE RELEASE

Turn Your Desktop into a Virtual Movie Studio with Reallusion's iClone 2.0™

Eagerly Anticipated Sequel to Award-Winning Machinima-Making Software Boasts Enhanced Character-Creation and New Special Effects

"With other 3D packages I would never be able to achieve the same results with such ease and speed...It creates digital life!!! THIS is the software that I have been waiting for!"
-- Eric Rosner, Director of Animation: TVLand, Nick@Nite

"…essentially an entire computer animation studio; with only a facial photograph, users can quickly create a 3-D model of a real person and place it in a virtual environment."
-- Variety

NEW YORK, NY, March 28, 2007—Machinima, that brand of filmmaking that uses video game engines to create movies, has finally hit the big time.

From the blockbuster, **World of Warcraft**-themed 10th season premiere of **South Park**, to **Grand Theft Auto**-style Super Bowl commercials, to, most recently, the sight of **Matt Lauer** emerging from a virtual 30 Rock to take a live tour of **Second Life** on the **Today Show**, Machinima, long thought to be just an underground endeavor for **Quake** fans and hardcore gaming enthusiasts, has broken through to the mainstream, and brought with it a tool that everyone can use.

iClone 2.0™, Reallusion's eagerly anticipated sequel to their award-winning Machinima software, today made its debut to the swelling crowd of reporters and industry insiders at the first day of **Virtual Worlds Conference 2007** (www.virtualworlds2007.com) with an impressive and comprehensive suite of applications which empowers aspiring filmmakers as well as established auteurs with a taste for new technology to get in on the thriving Machinima movement without suffering a huge learning curve or hefty production costs.

For the price of a handful of Xbox 360 titles, iClone 2.0 brings the power of a digital film studio right to your desktop. Using easy wizards and photo design with an entire cast of advanced actors that are ready to animated, iClone 2.0 is real-time moviemaking inside virtual worlds with video game-like create-and-cast character construction.

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What's New in iClone 2.0:

- Increased content creation control, actor design and wardrobe creation and real-time cinematic particle and fog effects;
- Enhanced G2 (Generation Two) avatar actors with refined skeletal bones for more fluid animation and intricate posing;
- Streamlined character customization with Clone Cloth to create new iClone fashions;
- Dynamic weather, particle and fog SFX, along with an array of cinematic effect presets inside the SFX custom library;
- Custom SFX settings with the new SFX user interface for simple effect editing and customization;
- New 3D scenes for shooting in the virtual outdoors, with LivePlants moving with real-time wind effect for natural foliage appearance and animation.

"Filmmaking inside real-time virtual worlds is emerging as a new method for today's storytellers to tell their tales with cinematic animation and without costly equipment and studios," says **John C. Martin, Director of Marketing, Reallusion**.

Martin added that an expansion pack, dubbed **iClone 3dXchange 1.0**, would also be released shortly. With the full details a few weeks away, he nonetheless revealed that it would "allow iClone 2.0 users to import content created by any 3D modeling tool," such as **Google SketchUp Pro** and **ZBrush**. "The result," he said, "is the ultimate rich-media toolbox, empowering aspiring solo directors and small production houses alike with everything they need to create long-form, fully robust narratives."

iClone 2.0 comes at a MSRP of $199.95. For additional product information, as well as individual purchasing and educational discount purchasing options, please visit: www.reallusion.com/iclone

About Reallusion, Inc.
Headquartered in Silicon Valley, Reallusion is a leading-edge software developer providing Hollywood-like 3D cinematic animation tools for PC and mobile platforms. Reallusion's pioneering storytelling technology excelling at character animation, facial morphing and voice lip-sync allows fast creation of interactive avatars for 3D real-time filmmaking and previsualization for professional post-production. Our powerful yet easy-to-use tools make character animation accessible to PC users of all skill levels.

Reallusion's development of core technologies and growing base of intellectual property firmly establish the company as power among emerging technology innovators, furthering our graphic and imaging embedded kernels to top-brand device manufacturers worldwide. Its products, including its acclaimed iClone machinima software and its freeware avatar animation tool CrazyTalk for Skype, have been featured in Second Life and on CBS News, in addition to receiving glowing reviews from USA TODAY, C|NET and PC World. For more information, visit: www.reallusion.com.

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