Adobe Finalizes Strategic Internet Technology Investment in Metastream

Technology Union Creates and Deploys Web Content in 3D

San Jose, Calif., (August 28, 2000) (Nasdaq: ADBE)—Adobe Systems Incorporated today finalized a strategic Internet technology investment in Metastream Corporation, which is a subsidiary of MetaCreations Corporation (Nasdaq:MCRE). This investment provides Adobe with technologies for creating and deploying 3D content on the Web, complementing Adobe’s award-winning Web publishing product line for authoring interactive, high-impact Web sites. Bruce Chizen, president of Adobe, will sit on the Board of Directors of Metastream and MetaCreations.

To help creative professionals move into the world of 3D, Adobe acquired MetaCreations’ Canoma’ product, which creates 3D models from images created in Adobe” Photoshop” and outputs finished files to the Web. Adobe will announce its future plans for this product line at a later date.

Adobe also licensed MetaCreations’ Carrara’ technology that incorporates 3D modeling, shading, scene building, animation, rendering, and special effects. Adobe will apply portions of the technology for integration into future versions of its graphics and web products.

In addition, Metastream has fully embraced the World Wide Web Consortium’s (W3C) Scalable Vector Graphics (SVG) format as an integral part of its Metastream’ enhanced 3D file format (MTS3). Adobe will support Metastream by ensuring a broad range of tools that will allow superior SVG authoring and will export the MTS3 format across its tools.

Once 3D and other rich media content has been created, it is exported into MTS3 to rapidly stream it over the Internet. The primary component of the technology is a browser plug-in that allows online consumers to interact with a virtual product on an e-commerce site, much as they might in a store. MTS3 scales the resolution for optimal performance on any computer or connection speed.

“3D is the next critical component of the Web experience, especially in the areas of navigation, community and commerce,” said Bruce Chizen, president, Adobe Systems. “Adobe’s strategic investment in Metastream demonstrates the company’s commitment to providing customers with the most advanced tools to create and deploy the most compelling and interactive content on the Web.”

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“The benefits of employing MTS3 on an e-commerce site are compelling for any online retailer. Interactive 3D display of products with the same delivery time and photo-realism as traditional 2D images is more appealing to consumers,” said Bob Rice, president and CEO, Metastream Corporation. “The synergy between the two companies provides customers a cohesive environment for displaying the output of all of Adobe's products on the Web.”

About MTS3
Metastream 3 is the next-generation multimedia technology for the Web that takes online product presentation and user experience to a new and richer level. It integrates 3D and other rich media—user-controlled movement, color and textural fidelity, pop-up text, and robust interactivity—into an entirely new, super-rich media format. Metastream's proprietary technology is also designed for today's narrowband world, and gives all Web users an easy, quickly accessible experience.

About Metastream Corporation
Metastream Corporation, a subsidiary of MetaCreations, takes online product presentation and user experience to a new and richer level. Combining its next generation, proprietary MTS3 technology and content creation services, Metastream is an unprecedented web force in branding, advertising, and commerce solutions. The company's primary initiatives include licensing Metastream technologies for e-commerce initiatives, providing a full range of professional services for implementing enhanced 3D web marketing solutions, both directly and through strategic alliances with leading interactive agencies and Web content providers. Metastream is headquartered in New York City, New York. Additional information about Metastream is available at http://www.metastream.com.

About Adobe Systems Incorporated
Founded in 1982, Adobe Systems Incorporated (www.adobe.com) builds award-winning software solutions for Web and print publishing. Its graphic design, imaging, dynamic media, and authoring tools enable customers to create, publish and deliver visually rich content for various types of media. Headquartered in San Jose, California, Adobe is the third largest U.S.-based personal software company, with annual revenues exceeding $1 billion.

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