

Microsoft to Add Two New ActiMates Characters in 1998

Arthur and D.W. to Be Unveiled at Toy Fair as Part of Expanded ActiMates Lineup

REDMOND, Wash. - Jan. 26, 1998 - Microsoft Corp. plans to add two new ActiMates™ learning system characters to its product lineup. Marc Brown's phenomenally popular Arthur™, and Arthur's little sister, D.W.™, will be introduced at Toy Fair in New York on Feb. 9. The characters join preschool star Barney™, who debuted last year as the first ActiMates plush character. With the ActiMates line, Microsoft created the first convergence product linking a toy with both the PC and television.

"Following the success of ActiMates in 1997, we're very excited to broaden its appeal and technological capabilities," said Rick Thompson, vice president, Microsoft Hardware Group. "Since ActiMates was introduced to the public last August, the product has effectively established a new category of smart interactive plush characters that work with compatible television broadcasts, videotapes, the personal computer and now the Internet."

The new characters, designed for children ages 4 to 8, feature technological advancements and additional fun functions to help children learn. These include new capabilities such as interactivity with the Internet on the official "Arthur" Web site, age-appropriate games that engage and teach children, a greatly expanded vocabulary, specially encoded videotapes, and original CD-ROM software.

Developed with educational leaders such as learning specialists and experts in technology and electronic learning, the ActiMates system features a combination of wireless and animation technologies that makes it the ideal learning partner for kids.

"The ActiMates interactive learning system grows with a child. The new characters - Arthur and D.W. - use fun, challenging games and activities to help children master time concepts, language skills and more," said Erik Strommen, Ph.D., developmental psychologist and lead designer in developing the ActiMates learning system for Microsoft. "The Arthur and D.W. software, videotapes and activities engage and challenge children with age-appropriate activities that match their own interests and abilities."

Strommen, whose expertise includes research on the development of gender differences, is especially proud of ActiMates Interactive D.W., which will be one of the most technologically advanced products on the market for young girls.

"Unlike most products targeted to girls, D.W. doesn't promote gender stereotypes," Strommen said. "Instead, she displays ambition, confidence and fearlessness, and encourages girls to be proud of themselves and their abilities."

How ActiMates Interactive Arthur and ActiMates Interactive D.W. Work

The new ActiMates characters will include three components, each sold separately:

- **ActiMates Interactive Arthur and D.W.** With vocabularies of more than 4,000 words each and sensors in their hands, feet, ears and watches, the standalone ActiMates Interactive Arthur and ActiMates Interactive D.W. characters are the perfect learning buddies for kids. When the sensors are squeezed, Arthur and D.W. play 12 games and activities, say more than 100 phrases and questions, and help children learn how to tell time.
- **ActiMates TV Pack.** Plug the TV Pack accessory with radio frequency (RF) transmitter into a VCR, and the vocabularies of ActiMates characters increase to 5,000 words each. Beginning in fall 1998, daily episodes of PBS' "Arthur" are scheduled to carry a specially encoded signal and animation technology from Microsoft, enabling ActiMates Interactive Arthur and ActiMates Interactive D.W. to interact with PBS broadcasts of the program where available.
- **ActiMates PC Pack.** Attach the PC Pack accessory to a PC game port and the computer becomes both fun and educational. With the three new ActiMates-compatible software titles scheduled for 1998, the vocabulary of the ActiMates characters increases to more than 10,000 words. In addition, this year ActiMates Interactive Arthur and ActiMates Interactive D.W. will be able to interact with the official "Arthur" Web site (<http://www.pbs.org/arthur/>), giving the characters additional vocabularies of 1,000 words each.

Marc Brown, an author and illustrator, created Arthur more than 20 years ago when he told his son a bedtime story. Today, Arthur is one of the fastest-growing and most successful children's licensed character properties. The character reaches more than 11 million viewers a week on the PBS show "Arthur," which is the top-rated program among kids ages 2 to 11.

"Arthur and D.W. are very excited to be joining the ActiMates line at Microsoft," Marc Brown said. "ActiMates is all about learning and problem solving, with the added bonus of being fun. It's a great way to introduce children to the computer in an interactive and innovative way."

Following its debut last summer, ActiMates was one of the best-selling products of the holiday season. The system recently won several prestigious awards, including the National Parenting Center's Seal of Approval, a Platinum Award from the Oppenheim Toy Portfolio, the National Parenting Publication Awards Gold Seal Award, ComputED Learning Lab's Best Educational Software Award and a Product Innovation Award from COMPUTERTOTS.

ActiMates Interactive Arthur and ActiMates Interactive D.W. are scheduled to be widely available through leading toy, mass merchant, consumer electronic and computer stores beginning in September 1998. The plush characters will have an estimated retail price of \$109.95 (U.S.) each. The TV Packs and the PC Packs for all three ActiMates characters will have an estimated retail price of \$54.95 (U.S.) each. The estimated retail price for additional PC software titles will be approximately \$34.95 (U.S.).

"Arthur" is brought to PBS by WGBH Boston and CINAR Films. WGBH Boston is the source of one-third of all prime-time programs on Public Broadcasting Service (PBS). Executive producer of the "Arthur" series from WGBH is Carol Greenwald.

CINAR Films is an integrated entertainment company involved in the development production, postproduction marketing and international distribution of nonviolent programming for children and families. Executive producer of the "Arthur" series from CINAR is Micheline Charest.

Microsoft is developing ActiMates Interactive Arthur and ActiMates Interactive D.W. under license from Lindberg Licensing and Promotion Inc. Lindberg Licensing and Promotion Inc., led by Erica Lindberg Gourd, is a leading licensing agency with promotion and television expertise specializing in children's literary characters.

Microsoft developed ActiMates Interactive Barney under license from The Lyons Group, an entertainment unit of Lyrick Studios™. Lyrick Studios, a privately held company based in Richardson, Texas, produces and distributes quality family entertainment.

Founded in 1975, Microsoft (Nasdaq "MSFT") is the worldwide leader in software for personal computers. The company offers a wide range of products and services for business and personal use, each designed with the mission of making it easier and more enjoyable for people to take advantage of the full power of personal computing every day.

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