

PRESS RELEASE

CANON INTRODUCES THE EOS 10D DIGITAL SLR CAMERA: 6.3 MEGAPIXELS WITH DIGIC TECHNOLOGY

*New Camera Incorporates Canon-manufactured CMOS Image Sensor,
DIGIC Image Processor and EF Lenses*

*Magnesium Alloy Body, 7-Point Autofocus, Direct Print With Canon Printers, and Manual White
Balance Highlight Newest Addition to EOS System Digital Cameras*

LAKE SUCCESS, February 27, 2003 - Canon U.S.A., Inc., a subsidiary of Canon Inc. (NYSE: CAJ), continues to provide professional photographers and enthusiasts with the highest-quality digital SLR cameras available by taking the most advanced camera features and combining them with the latest innovations in digital imaging technology. In addition, Canon is the only company in the industry to offer a camera with the 3 primary components: an Image Sensor, Image Processor and Optics designed and produced by the camera manufacturer*. And with its suggested list price of \$1,999, the new EOS 10D delivers one of the most important features requested by photographers - affordability.

The new EOS 10D is the first digital SLR to offer Canon's exclusive DIGIC Image Processor for maximum camera performance as well as direct connectivity to several Canon Bubble Jet Direct printers and the CP-100 Card Photo Printer. The camera's body, constructed with rigid magnesium alloy covers, houses and protects a number of advanced camera features which are distinctively Canon including a very fast, wide area 7-point autofocus system for precise focusing; 3 frames per second drive speed in 9-frame bursts in either JPEG or simultaneous RAW + JPEG capture settings; an extended ISO range of 100-3200; manual white balance mode; selectable color space options including Adobe RGB and sRGB; a scrollable 10x zoom playback mode; and a Plug and Play USB interface.

The EOS 10D also supports EXIF 2.2, DPOF 1.1, FAT32, and Compact Flash Type I and II, and is completely compatible with all EF-series lenses, including the new EF 17-40mm f/4L USM.

"The EOS 10D is as much revolutionary as it is evolutionary," says Yukiaki Hashimoto, senior vice president, Consumer Imaging Group, Canon U.S.A. "It represents the perfect combination of advanced features from existing EOS System cameras and the latest in digital imaging technology such as Canon's exclusive DIGIC Image Processor. With features not found in other digital SLRs at this, or any other pricepoint, we are confident that the EOS 10D will meet and exceed the expectations of even the most demanding photographers," Mr. Hashimoto added.

Elements of Image Quality

The image quality of any digital camera is not based solely on its resolution. While resolution is clearly a key component of image quality, two additional factors must be taken into consideration. First is the quality of the camera's optics. The second is the quality of the camera's image processor. Collectively these three units, working together, ultimately determine the image quality of any digital camera. Today, Canon is the only manufacturer of digital cameras that combines its own extensive EF-series line of high-quality lenses, its own Image Sensor (CMOS), and its own dedicated Image Processor (DIGIC), to help users achieve maximum image quality.

Canon EF Lenses

Canon's heritage as an imaging company dates back almost 70 years to the company's founding in 1935. Since then, Canon has worked hard to perfect the process of creating extremely high-quality optics for its line of 35mm cameras and other imaging products and is now the world's largest manufacturer of cameras and lenses. Canon is a global leader in optical design, with many advanced and original technologies such as aspherical and fluorite lenses, optical image stabilizers, ultrasonic motors, and more. Canon currently markets over 50 EF lenses for the EOS 10D, representing one of the largest selections of interchangeable autofocus lenses from any manufacturer.

Canon's CMOS Image Sensor

The EOS 10D incorporates a large-area 6.3 megapixel CMOS sensor designed, developed and manufactured entirely within Canon. This sensor has the same picture area (15.1 x 22.7mm) and aspect ratio (2:3) as the EOS D60, but features superior image quality thanks to peripheral circuitry improvements and a refined manufacturing process. A

new amplifier circuit boosts the S/N (signal to-noise) ratio to provide an extended sensitivity range from ISO 100 to 3200 and superior noise reduction at all ISO speed settings.

Canon's DIGIC Image Processor

Every digital camera uses a CPU of some kind to "process" images recorded by the camera and also to control overall camera functions. In most cases, this is the same type of general-purpose CPU typically used for video games, word processors and computer spreadsheets. However, when such CPUs are applied to image processing in digital cameras they tend to be very slow.

Canon's proprietary image processor, called DIGIC, was developed specifically for use with its line of digital cameras and combines the jobs of image processing and camera function control into one chip. Canon's DIGIC (short for Digital Imaging Integrated Circuit) is much faster at image processing than a general purpose CPU because it employs parallel processing rather than the sequential, one pixel at a time processing methods used by "conventional" digital cameras. The extra speed of DIGIC makes it possible to incorporate higher quality signal processing algorithms than conventional digital cameras, while at the same time improving buffer performance and consuming less battery power because signal processing is completed more quickly on a per-image basis.

However, DIGIC does much more than image processing. Because it was specifically designed for use in a digital camera, it is also capable of handling nearly every digital camera function including JPEG compression/expansion; memory card control; Auto Exposure; Auto White Balance control and most other camera functions. In the case of the EOS 10D, for example, the number of consecutive frames is 9, compared to 8 in the EOS D60 and the battery life lasts approximately 30 percent longer. These improvements were made possible by the DIGIC Image Processor, not by any improvements in the camera or batteries themselves.

7-Point Wide-Area Autofocus

The EOS 10D's advanced 7-point AF system is a major upgrade from the D60's 3-point system, and its speed is as fast or faster than the EOS Elan 7/7E's. The 7 focusing points are conveniently and unobtrusively superimposed on the viewfinder, cover a wide area for superb precision, and are manually selectable for a high degree of control. Ideal focus is achieved whether camera orientation is vertical or horizontal, with moving, still or off-center subjects, and even in low light/low contrast situations.

Intelligent Orientation Sensor

This new function detects whether the camera is positioned horizontally or vertically and uses that information in a variety of helpful ways. In addition to improving autofocus and exposure metering accuracy, the Intelligent Orientation Sensor enables the EOS 10D to automatically rotate vertical format images during playback on the built-in LCD monitor, and add rotation data to the image file header. Compatible software applications such as Canon's File Viewer Utility, ZoomBrowser EX and ImageBrowser read this data and automatically rotate thumbnail images during downloads to accelerate workflow.

Expanded RAW + Jpeg Settings

When a RAW image is captured, the EOS 10D simultaneously records and stores a JPEG image in the RAW image file. Unlike the EOS D60 where this mode was only possible for the Middle/Fine setting, the JPEG image can be set to any of the six JPEG quality settings on the EOS 10D.

White Balance and Color Temperature

In addition to the five preset White Balance modes featured on the EOS D60, the shade setting (approximately 7000K) has been added for a total of nine white balance modes. The EOS 10D also features a Manual color temperature setting allowing for greater color precision and creative control over any scene. Users are now able to manually set the color temperature directly from the camera's menu from 2800 to 10,000 degrees Kelvin values in 100-degree increments.

In the White Balance Bracketing mode, a set of three images is made at the same exposure level while shifting the white balance up to +/- 3 steps in 1-step increments, to render a cooler or warmer color temperature. Each step is equivalent to 5 Mireds (Micro-reciprocal degrees).

Bundled Software

The EOS 10D is bundled with an upgraded software package featuring powerful drivers which are compatible with Windows XP and Mac OS X. Additional Canon utilities such as ZoomBrowser EX, PhotoRecord, RAW Image Converter, PhotoStitch and RemoteCapture are also supplied, together with Adobe Photoshop Elements 2.0.

The EOS 10D measures 5.9 x 4.2 x 3.0 inches and weighs 27.9 oz. (body only). It will be available at authorized

retailers in mid-March with a suggested list price of \$1,999.

EF 17-40mm f/4L USM Wide-Angle Zoom Lens

The EF 17-40mm f/4L USM is an ultra wide-angle zoom lens that is being announced simultaneously with the EOS 10D, but is compatible with all Canon cameras that use the company's proprietary EF lens mount. The new lens was developed as a more affordable alternative to the renowned EF 16-35mm f/2.8L USM lens that has become a mainstay for professional photographers around the world. Featuring 3 aspherical surfaces and 1 UD glass element in a 13-element optical formula, the new 17-40mm lens delivers image quality equal to the 16-35mm lens. Like other current L-series models, the new 17-40mm lens is also built to professional standards in terms of build quality, with a metallic lens barrel and extensive gasketing for superb weather resistance. It will be available at authorized retailers in May with a suggested list price of \$1,200.

Canon U.S.A., Inc. delivers consumer, business-to-business, and industrial imaging solutions. In 2001, the Company was listed as one of Fortune's Most Admired Companies in America, and was ranked #41 on the Business Week list of "Top 100 Brands." Its parent company Canon Inc. (NYSE:CAJ) is a top patent-holder of technology, ranking second overall in the U.S. in 2002, with global revenues of \$24.5 billion. Canon U.S.A. employs approximately 11,000 people at over 30 locations. For more information, visit www.usa.canon.com.

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*As of 2/27/03