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EMAK Worldwide Rescinds Preferred Stock Exchange and Responds to Take Back EMak's False Statements

LOS ANGELES, Dec. 7, 2009 – EMak Worldwide, Inc. (OTC: EMak) announced that its Board of Directors unanimously determined on December 3, 2009, to rescind the Exchange Transaction originally announced on October 19, 2009.

Pursuant to the Exchange Transaction, the Series AA Preferred Stock held by Crown EMak Partners, LLC ("Crown") was exchanged for shares of Series B Preferred Stock which was identical to the Series AA Preferred Stock except that (a) instead of a contractual right to appoint two Directors (and three Directors in the event of a change of control), the Series B Preferred Stock permitted Crown to vote with holders of Common Stock in the election of Common Directors, and (b) the Series B Preferred Stock made certain alterations to the "change of control" provisions that had been contained in the Series AA Preferred Stock. As a result of the rescission, Crown will have the rights that it had on October 18, 2009, immediately prior to the Exchange Transaction.

On October 26, 2009, Donald Kurz, a Director of the Company, and Sems Diversified Value, L.P., a stockholder, filed a lawsuit in the Delaware Court of Chancery seeking to rescind the Exchange Transaction. A hearing on a motion for a preliminary injunction was scheduled for December 4, 2009. As a result of the rescission, that hearing did not proceed.

In addition, after a careful review of the communications sent to stockholders by Kurz, Sems, and their group Take Back EMak ("TBE"), the Company believes that TBE's consent materials contain numerous false and misleading statements about EMak's Board and omit crucial historical information about Kurz's former leadership. EMak believes it is necessary to correct the public record with respect to these matters so that stockholders are not misled by TBE's mischaracterizations.

In setting the public record straight, today EMak has mailed to all stockholders a letter containing several pages of rebuttal, along with BLUE revocation cards to revoke any previous

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votes in favor of TBE that might have been made without full information. The Board is asking stockholders to tell TBE and Kurz “NO ”— and to send the message that they do not support the TBE efforts to oust the EMAK Board and return to Kurz’s leadership. Any stockholder who needs another BLUE card or has not received a BLUE card should contact MacKenzie Partners, Inc. at (800) 322-2885.

The text of the letter follows here, and both the full letter and rebuttal are available at EMAK’s website, www.emak.com, on the home page under “Featured Investor News and Materials” and also under “Recent News and Events” on the Investor Info page.

December 7, 2009

PROTECT YOUR INVESTMENT -- VOTE THE ENCLOSED BLUE REVOCATION CARD TODAY!

Dear EMAK Stockholder,

Over the last several weeks, you have likely received a series of communications via mail, email, telephone and press release from a group of disgruntled shareholders using the name Take Back EMAK (“TBE”) in their quest to unseat three members of the board of directors of EMAK Worldwide, Inc. (“EMAK” or the “Company”), including one of EMAK’s largest common stockholders, Stephen Robeck, through a written consent solicitation (the “Consent Solicitation”). They are seeking to replace these directors elected only five months ago at EMAK’s annual meeting with directors loyal to Donald A. Kurz, with the stated goal of restoring him as CEO of EMAK. **Your Board of Directors, with the exception of Kurz, unanimously recommends that you vote the enclosed BLUE revocation card.**

We think that there are two main reasons you should vote against Kurz: 1) He has no plan for fixing EMAK’s broken capital structure, and in fact, if he and his designees are elected, there is a real risk that the Company will be forced into bankruptcy since Crown Capital (which invested \$25 million in 2000, and has stock with a liquidation preference of \$25.7 million) will treat it as a change in control and seek to redeem their stock, leading to more litigation and possibly bankruptcy; and 2) Kurz is not the right person to lead EMAK, which is why he was ousted as CEO nearly five years ago after years of a failed acquisition strategy capped off by huge losses in 2004 and 2005. He doesn’t understand EMAK’s business and would undo all the hard work of the past four years to position EMAK for the future.

For the reasons we explain below and in the pages that follow, we strongly recommend that you disregard the solicitation materials from TBE, and if you have provided your consent, we recommend you revoke it immediately by sending in the BLUE REVOCATION CARD included in these materials.

In order to move forward as a Company, EMAK must address its broken capital structure, which has a large preferred stock liquidation preference standing in the way of accessing new capital for growth of the business and depressing the value of your common stock. Your Board of Directors is focused intently on taking the proper course to build the highest possible shareholder value, and we are committed to doing so as swiftly as possible. We believe we

have the right team in place to negotiate the capital structure in partnership with EMAK's preferred stockholder, Crown Capital, who has given up significant rights in the past and is committed to working with the incumbent Board on a structure that will benefit all stockholders. The Board approved an exchange transaction with Crown in October that was the first step in this restructuring process. The exchange transaction took away Crown's two board seats in exchange for letting Crown vote with the common stock on election of directors. Kurz and TBE have forced the Company to spend hundreds of thousands of dollars defending this business decision through their litigation. The Board eventually decided to try and stop the litigation expense by rescinding the transaction, but TBE and Kurz have no intention of stopping their campaign of lies, so the only way to silence them will be through your vote AGAINST TBE. **The bottom line is that electing a new Board will destroy any possibility of a negotiated resolution with Crown and will instead immediately foment further litigation and strife.**

Stockholders should also recognize that a vote for TBE is a vote to return to the failed leadership of Kurz, which was defined by a doomed cash-based acquisition strategy resulting in rising debt and cash burn. After Kurz was through, EMAK was on the brink of disaster, with money-losing businesses that didn't have a coherent strategic vision. The current management team has exited a number of bad businesses, strengthened the balance sheet through the payment of debt and the building of cash, and transformed EMAK's business focus from the declining promotional products industry to marketing services, which has a more attractive long-term margin profile and where EMAK will derive real value and growth over the next several years.

The last few years have been tough, but we firmly believe that EMAK is back on a growth track in an attractive business now. EMAK's management negotiated with Crown in 2006 to do away with its \$1.5 million per year cash dividend, saving nearly \$5 million in cash interest expense. They successfully negotiated a cost-savings of over \$1 million per year by taking the unpopular step of de-registering the common stock – but for a company of this size that \$1 million was better spent elsewhere, and the Company has continued to provide quarterly and annual financial data. They have twice successfully negotiated to maintain and extend EMAK's bank line (including once during the worst credit crunch in memory). EMAK's current leadership has made the hard choices and best understands these new opportunities – Kurz is trying to take this company back to the past, but the world doesn't work that way. The marketing services and promotional products business worlds have moved on since Kurz's failed reign, and there is nothing to suggest that he understands those changes or would be able to navigate the fast-moving environment in which we currently live.

TBE's platform is based upon Kurz's self-interest and a litany of falsities. We encourage you to undertake a rational and honest assessment of Kurz's leadership and we have attempted to present a fair assessment in these materials.

Who is Donald A. Kurz?

Kurz is an ousted-CEO seemingly obsessed with gaining control of the Company that turned him out almost five years ago. His first attempt to regain control of EMAK, through a failed but costly proxy fight (costing EMAK more than \$300,000), was launched not six months after his forced resignation in 2005. Through the years, his communications with the Board show an ongoing pattern of hostility and vindictiveness that far exceeds the boundaries of a shareholder activist and are particularly concerning because he is a current member of the Board. He has made numerous, unprofessional threats to the directors, including a promise to “target” their personal assets.

Recent History with Kurz

On April 13, 2009, Kurz wrote a letter to the EMAK Board demanding the termination of Chairman Stephen Robeck and Chief Executive Officer Jim Holbrook (the "Demand Letter"). The Board's views on the allegations contained in the Demand Letter are set forth in the attached materials. Despite the aggressive and hostile tone of the Demand Letter and Kurz's long pattern of hostility toward EMAK, the Board chose to meet with Kurz and provide him with a full and open forum to present his views.

After Kurz's April agitations with the Board, and an opportunity for Kurz to present his vision for EMAK to them, the Board once again in good faith invited Kurz to rejoin the Board, which he did in June 2009. The Board did this in a good faith effort to end Kurz's hostility and to try to move beyond the distractions as EMAK continued running its business in a very difficult economic climate.

Instead, Kurz continues to be a destructive distraction to the Company. As a director Kurz has a duty to communicate fully and openly about his activities, and he has failed utterly in that duty of candor. Three months after re-joining EMAK's Board, Kurz made a proposal directly to Crown without the knowledge of the Board. Kurz proposed a restructuring to convert Crown's Preferred Stock at full \$25.7 million value into cash and secured debt payable over three years, with Kurz presumably to take over as CEO with Crown's support. Kurz did not inform the Board about this offer until after it was made, and then only after being confronted with the fact that Crown had told a member of the Board about the proposed transaction. Moreover, Kurz's offer undermined ongoing negotiations between the Board and Crown. At best, if consummated Kurz's proposed restructuring would have fundamentally damaged EMAK's capital structure. At worst, it could have run the Company into bankruptcy. Tellingly, even though this proposal would have benefited Crown, Crown chose not to take the deal, presumably because it had no confidence in Kurz's ability to take over as CEO of EMAK.

On October 12, 2009, TBE delivered to EMAK a written consent to approve and adopt resolutions removing Jim Holbrook (CEO), Stephen Robeck (Chairman, Founder and a holder of more than 10% of the Common Stock), and Jordan Rednor (an outside director with years of experience with marketing services) from the Board and, in their places, electing Phillip S. Kleweno, Michael A. Konig, and Lloyd Sems¹ to the Board, none of whom has any significant experience in the marketing services business. Disturbingly, it appears that Kurz was involved in the creation of the Consent Solicitation and was funneling confidential Board information to TBE to help in the planning of its solicitation. Contrary to express representations made to EMAK's Board (Kurz adamantly denied any involvement with TBE at EMAK's September board meeting), Kurz was in discussions with TBE prior to its delivery of the initial consent on October 12. In fact, Kurz is funding a significant portion of TBE's Consent Solicitation.

Additionally, what TBE has failed to state is that electing Kurz and his nominees to the Board and replacing Holbrook as CEO would almost certainly constitute a change of control, allowing Crown to demand immediate payment of its liquidation preference of \$25.7 million and requiring EMAK to pay substantial severance to Jim Holbrook in accordance with his employment contract. At a minimum, Crown's assertion of its redemption claim would subject the Company to significant expense and distraction, and if successful, would essentially bankrupt the Company.

Whatever questions EMAK faces as a Company, you can be sure that Kurz is not the answer. A vote for TBE is a vote for the swift demise of EMAK. The Board asks that you tell TBE and Kurz "NO"—that you do not support their efforts to oust the EMAK Board

and return to Kurz's leadership. If you already voted in favor of the TBE consent before hearing the complete story, please send in the BLUE REVOCATION CARD. If you have not yet voted, you don't have to do anything. Your withheld vote counts as a "NO." If you want to help send a stronger message, feel free to send in the BLUE REVOCATION CARD marked "Against" all of their proposals.

Kurz has made so many false and misleading statements against current management and the Board that it is hard to know where to begin to provide you, as stockholders, with the truth. Because of this, we've put together a comprehensive response in the enclosed materials. These are also posted at our website, www.emak.com, on the home page under "Featured Investor News and Materials" and also under "Recent News and Events" on the Investor Info page. We know that it is a lot to wade through. If you already know that you oppose Kurz's efforts to take over EMAK, please send your revocation card today. If you need more information, read on!

If you have any questions or need assistance in voting the enclosed BLUE revocation card, please call MacKenzie Partners, Inc. at (800) 322-2885.

Sincerely,

Jim Holbrook, Chief Executive Officer, Director
Stephen Robeck, Chairman of the Board
Jordan Rednor, Director
Howard Bland, Director
Jeff Deutschman, Director

¹ In conjunction with its Consent Solicitation, TBE launched a website, www.TakeBackEMAK.com (all of the TBE documents referenced in this letter can be found on their website, and you are welcome to review their positions as you think about this important decision).

About EMAK Worldwide, Inc.

EMAK Worldwide, Inc. is the parent company of a family of marketing services agencies including Equity Marketing, Logistix, Neighbor and Upshot. Its agencies are experts in "consumer activation" by offering strategy-based marketing programs that directly impact consumer behavior. The agencies provide strategic planning and research, consumer insight development, entertainment marketing, design and manufacturing of custom promotional products, kids marketing, event marketing, shopper marketing and environmental branding. The Company's blue-chip clients include Kellogg, Kohl's, Kraft, Macy's, Procter & Gamble and Safeway, among others. Headquartered in Los Angeles, EMAK has offices in Chicago and Hong Kong. More information about EMAK Worldwide is available on the Company's website at www.emak.com.

Certain expectations and projections regarding the future performance of EMAK Worldwide, Inc. discussed in this news release are forward-looking and are made under the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995. These expectations and projections are based on currently available competitive, financial and economic data along with the Company's operating plans and are subject to future events and uncertainties. Management cautions the reader that the following factors, among others, could cause the Company's actual consolidated results of operations and financial position in 2009 and thereafter to differ significantly from those expressed in forward-looking statements: the Company's dependence on a single customer; the significant quarter-to-quarter variability in the Company's revenues and net income; the Company's dependence on the popularity of

licensed entertainment properties and the ability to license, develop and market new products; the Company's dependence on foreign manufacturers; the Company's need for additional working capital; the negative results of litigation, governmental proceedings or environmental matters; and the potential negative impact of past or future acquisitions. The Company undertakes no obligation to publicly release the results of any revisions to forward-looking statements, which may be made to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events. The risks highlighted herein should not be assumed to be the only items that could affect the future performance of the Company.

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