

Press Release

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mental images and Industrial Light & Magic Announce Licensing, Custom Support and Development Agreement

Global Leader in Rendering Software to Develop Technology for True Virtual Cinematography

Berlin and San Rafael, CA, October 30, 2002 - mental images®, the global leader
in rendering software for filmmakers, today announced it has signed a software licens-
5 ing and custom support and development agreement with Industrial Light & Magic
(ILM), a division of Lucas Digital Ltd. LLC, to use mental images's mental ray® ren-
dering software for future ILM productions.

ILM has utilized mental ray rendering tools increasingly within its productions since
10 1995 and under the new terms of the agreement mental images will develop new func-
tionality of the mental ray software specifically to meet ILM's most advanced produc-
tion needs. mental images will also provide 24-hour turn-around support and on-site
development support. In addition, ILM will have access to mental ray's developer ver-
sions of the mental ray rendering and mental matter® modeling libraries for integra-
15 tion into ILM's proprietary, next generation interactive modeling and rendering tools.

"We have had a long and successful relationship with mental images," said Cliff
Plumer, Chief Technology Officer, ILM. "Since incorporating mental ray into our
pipeline, the team at mental images has been receptive to our needs and suggestions
20 helping us increase the realism and complexity of our imagery. This new agreement
has the potential for true innovation and we are looking forward to taking the next
step in that direction."

The strategic partnership between ILM and mental images represents the future of the
25 rendering industry. Studios increasingly demand the level of virtual photo-realism that
can be achieved with mental ray software. This technology permits the line between

virtual and real to completely disappear, allowing for experimentation with innovative effects that promise to revolutionize the motion picture industry.

30 "We feel greatly honored by ILM's decision to enter into this exciting agreement with far-reaching opportunities," said Rolf Herken, CEO of mental images. "The combination of ILM's exceptional artistic talent and outstanding technological experience, sophistication and vision with mental images's world class engineering and unsurpassed rendering research and development capabilities will shape the future evolution of
35 rendering technology for visual effects and true virtual cinematography. We expect to see numerous Academy Awards and award nominations to accompany with this evolution."

ILM has played a key role in seven of the top 10 worldwide box office hits of all time,
40 winning 14 Academy Awards for Best Visual Effects and 16 Technical Achievement Awards. mental images has received its second Academy nomination this year for technical achievement.

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45 **About mental images®**

mental images, founded in 1986, is the recognized international leader in providing rendering technology to the entertainment, computer-aided design, scientific visualization, architecture, and industrial fields that require sophisticated images. The main
50 product of the company is the high performance, photo-realistic rendering software mental ray® which is capable of running on a wide variety of platforms ranging from workstations and networks of workstations to parallel supercomputers. It is the first rendering software that combines the physically correct simulation of the behavior of light with full programmability for the creation of any imaginable visual phenomenon.

55 Customers of mental images include original software developers such as Alias | Wavefront, Autodesk, Inc., Avid Technology/Softimage, Inc., Dassault Systèmes S.A., as well as major industrial end-users such as Mercedes-Benz, a division of DaimlerChrysler AG. Users of mental ray include most of the leading special effects
60 and digital film studios, game developing companies, and companies in the automotive and aerospace industries.

mental images GmbH & Co. KG is a privately held company based in Berlin, Germany, with a subsidiary in San Francisco, California. mental images is a registered trademark of mental images in the United States and other countries. mental ray is a registered trademark of mental images exclusively used by mental images. See
65 www.mentalimages.com for more information.

70 **About Industrial Light & Magic (ILM), a division of Lucas Digital Ltd. LLC**

75 Founded in 1975, Industrial Light & Magic has set the standard for visual effects, creating some of the most stunning images in the history of film. ILM is the leading effects facility in the world, serving the motion picture, commercial production and attraction industries. With its many technical and creative innovations, ILM has helped drive the evolution of visual effects. Today ILM features the largest and most advanced digital effects system in the entertainment industry.

80 The company has created visual effects for over 160 feature films, including Men in Black 2, Minority Report, Harry Potter and the Sorcerer's Stone, Pearl Harbor, A.I., Planet of the Apes, The Perfect Storm, Space Cowboys, Galaxy Quest, The Mummy, Saving Private Ryan, Small Soldiers, Deep Impact, Twister, Mission: Impossible, Dragonheart, Jumanji, Casper, Forrest Gump, The Mask, Jurassic Park, Death Becomes Her, Who Framed Roger Rabbit?, E.T.: The Extra-Terrestrial, the Indiana Jones and Jurassic Park series and the five Star Wars movies.

85 Located in San Rafael, California, just north of San Francisco, ILM is a division of Lucas Digital Ltd. LLC, which also includes Skywalker Sound. Formed in 1993, Lucas Digital Ltd. LLC is dedicated to serving the digital needs of the entertainment industry for visual effects and audio post-production

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