

Press Release

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mental images® Accelerates Development of RealityServer® with \$6 Million Investment5 **Academy Award® Winners Bring Interactive 3D to New Markets**

Berlin, Germany, October 20, 2003 - mental images®, a global leader in the fast-growing market for high-end 3D visualization software, has just completed a US\$6 million investment round led by ViewPoint Ventures and another large international private equity investor. The transaction was managed by ViewPoint Capital Partners. The 17-year old, privately held company will expand its product offerings to include its unique server-based 3D collaboration platform *RealityServer*® and it will also expand its U.S. operation in San Francisco.

15 Based on the same fundamental technologies used in mental images' Academy Award®-winning software *mental ray*®, *RealityServer* addresses the need of many industries for secure, server-based collaboration with high-quality, photorealistic images of 3D content. For example, engineers can use it to access physically correct pictures of computer-aided design (CAD) data, planners can alter 3D models of buildings and urban spaces, and kids can play online games—
20 all from any web-connected PC, PDA or cell phone without any special software or “client” system. *RealityServer* takes full advantage of 64-bit processing power and advanced graphics chips. While authorized users may access original 3D models, their data never leave the server, providing the highest levels of security and intellectual property protection.

25 *RealityServer* can be integrated with existing or new web-based software applications in a wide range of markets, including: remote maintenance and repair; online training and product support; collaborative product design and content creation; medical imaging; interactive online gaming/entertainment; and e-Commerce.

30 “Remote visual interaction with accurate 3D content is central to more and more business processes,” says Rolf Herken, Founder, CEO and CTO of mental images. “By delivering the results interactively within seconds of a request or instantaneously, *RealityServer* applications

will change the way 3D content is created and used. We are looking forward to expanding
 mental images' market reach with the support of our new investors. We have seen solid
 35 growth in our core products and expect the demand for *RealityServer* to accelerate in such mar-
 kets as aerospace, automotive, product design, telemedicine, retail, and on-line entertainment.”

“mental images has a strong market position,” said Christian Janson-Euterneck, Managing Di-
 40 rector of ViewPoint Capital Partners. “Its unique R&D assets, solid product portfolio, long-
 standing customers, and clear perspective on how to leverage its technology into new and lar-
 ger markets make us pleased to participate in mental images's future growth.”

To date, mental images's patented technologies and products are distributed primarily as the
 integrated rendering and (in some cases) modeling software components of leading digital con-
 45 tent creation and CAD programs such as Maya®, Softimage® | XSI™, 3ds max® and 3ds viz,
 SolidWorks® and CATIA®. In addition, mental images works directly with some of the
 world's largest and most demanding end-users of 3D visualization to develop customized solu-
 tions. More than 130 Hollywood movies have been made with *mental ray*, including such re-
 cent blockbusters as “Matrix Reloaded,” “Hulk,” and “Terminator III.” Leading visual effects
 50 companies and studios, such as Industrial Light and Magic, ESC Entertainment and Dream-
 Works are among mental images' largest and most sophisticated customers. In the CAD field,
mental ray is used by the world's leading automobile and aircraft manufactures to accelerate the
 design of new products. *mental ray* simulates reality correctly, creates an unparalleled level of
 visual richness in computer-generated imagery, and blurs the line between what is real and
 55 what is computer generated.

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Technology Brief RealityServer®: The second generation of RealityServer will be developed at an accelerated pace during the next 18 months and will provide extended scalability for very large and possibly heterogeneous computing environments, support for interaction with additional data formats and sources, and enhanced functionality.

One of the key benefits for developers is being able to easily create applications on top of RealityServer that permit the dynamic generation and secure distribution of accurate, up-to-the-second visual information to users on any network-enabled device. The end result is a unified RealityServer workflow that will permit thousands of users to

simultaneously access the original unmodified 3D data and to interactively collaborate with other users from anywhere in the world.

The RealityServer platform provides essential features that are required for building applications and web application services, including:

- Fully interactive and collaborative interaction with 3D design content that is guaranteed independently of the front-end device capabilities without requiring custom plug-ins or players;
- Proprietary content and data is protected and efficiently managed in one central, secure environment;
- Each solution is massively scalable across multiple commodity hardware platforms and operating systems with regard to data complexity, performance, image quality and number of simultaneous users;
- RealityServer software developer kit eases integration into larger corporate environments and solutions;
- Customers and developers can enhance and extend the system at every level through a comprehensive extensible environment with well documented programming interfaces and reusable source code examples for key system components, all based on industry standard languages and protocols.

The core of RealityServer is based on an extension of the technology underlying mental images's Academy Award® winning high-end rendering product mental ray®, which today is an integrated component of most of the globally leading CAD and Digital Content Creation (DCC) software packages. As a result of mental images's close collaboration with the software industry leaders in these fields, the RealityServer platform enjoys native data compatibility with their tools and with millions of existing CAD and digital content files.

About mental images: mental images®, founded in 1986, is the recognized international leader in providing rendering software to the entertainment, computer-aided design, scientific visualization, architecture, and other industries that require sophisticated images. The main product of the company is the high performance photorealistic rendering software *mental ray*® which is capable of running on a wide variety of platforms ranging from networks of workstations to parallel supercomputers, producing images of unsurpassed realism. The world's leading cinematographers use *mental ray* to generate images of unsurpassed realism in visual effects and with films that are produced entirely using digital techniques. *mental ray* was initially released in 1989 and has been used in the production of more than 130 major motion pictures. mental images GmbH is a privately held company based in Berlin, Germany, with a subsidiary in San Francisco, California. For more information and selected works produced with mental ray, visit www.mentalimages.com.

Legal Notes: In the context of the expansion investment, mental images' form of incorporation was changed from that of a Limited Liability Partnership under German law (*mental images GmbH & Co. KG*) to a Limited Liability Company under German law (*mental images GmbH*), effective October 1, 2003. The Limited Liability Partnership has been merged into mental images GmbH, the General Partner of the Partnership, as of that date and all of its rights and obligations have been assumed by the Limited Liability Company, mental images GmbH. -- The expansion investment is expected to close in early November 2003.

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