

Press Release

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mental images Acquires Cycore Cult3D Technology

Cult3D to be integrated with RealityServer® platform 5 from mental images

Berlin, Germany and Uppsala, Sweden (March 1, 2004) – mental images®, a global leader in the fast-growing market for high-end 3D visualization software, and Cycore, a market leader in interactive 3D software for e-business, today announced the acquisition by mental images of Cult3D, Cycore's leading interactive 3D software platform for e-business, and all related 3D technology from Cycore. This deal is significant because it will drive widespread adoption and deployment of 3D technology for the Internet.

15 Cult3D is a 3D software application that brings interactive 3D to mainstream devices like PCs, and handheld devices like PDAs and cell phones, regardless of their processing power and graphics capabilities. It is currently used by thousands of Web sites with over 10,000 models in circulation. Customers include major car manufacturers, TV stations, and world leading mobile telephone manufacturers.

25 Cult3D will be integrated into mental images's RealityServer®, a secure, server-based collaboration platform for industries that require the remote collaborative creation, interaction with and visualization of 3D content. Cult3D will complement RealityServer's existing technology. The resulting RealityServer Version 1.5 will be made commercially available in the fourth quarter of 2004. It will provide real time interaction on any device with 3D data of reduced complexity. These are automatically derived from the original CAD or design data contained in the RealityServer database.

30 Users can effortlessly manipulate such light-weight representation of complex 3D
content for the creation of photorealistic images of the highest quality from the origi-
35 nal data.

With the new solution, installation, maintenance and repair tasks for complex indus-
40 trial products such as aircrafts can be accomplished with the help of a light-weight,
wireless device with a display that allows a service technician or even a consumer to
remotely interact with the original 3D data on the RealityServer for any part or as-
sembly of parts of the product and to obtain all information about the process of in-
stalling or disassembling and reassembling them for troubleshooting, repair and re-
placement as well as the relevant data base information about these components and
45 their functionality. If required, a service technician or consumer can obtain help from
an expert in a joint collaborative session looking at the same data, where the expert
now manipulates the 3D data interactively to demonstrate the tasks to be performed
to install, maintain, or repair the product. (The expert and the technician can talk to
each other at the same time via the Internet or regular cell phones). Similarly, an
50 automobile manufacturer could, for instance, offer potential customers a car configu-
rator with interactive 3D models based on the original computer-aided design, or
CAD, data. As customers choose views to look at the car and options, like color,
trim, etc., the car models change instantly. As soon as the interaction stops, a photo-
realistic, personalized image is generated on the server from the original data, main-
55 taining highest fidelity to the actual product while keeping the original product data
securely on the server. This allows a customer to do get an impression of the car
matching reality as closely as possible. Following final review of these images as well
as of any relevant database information regarding the chosen configuration, an order
can be placed and sent directly to the manufacturer's scheduling system. In another
60 scenario, RealityServer with Cult3D technology could be used to deploy personalized
multi-player online games. Since most or all computing and image-generation is done
on the server, this is an ideal infrastructure for "light-client" solutions, based on cell
phones and connected personal digital assistants, or PDAs.

60 Other applications for the technology include remote collaborative training and teach-
ing, collaborative design and engineering, collaborative medical diagnosis and surgery

planning, oil and gas exploration, and other data analysis and visualization applications, and broad-band based, interactive on-line entertainment applications such as (single- and multi-user) games with visually extremely rich, photo-realistic content

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“The full integration of Cult3D into RealityServer, something that could only be done by mental images, will allow us to better serve our partners and customers worldwide by implementing customized RealityServer based applications for them,” said Jerry Pettersson, CEO of Cycore. “The integration of our 3D technology adds a proven
70 3D web content authoring solution and a widely deployable real time interactive client based visualization component to the collaborative server based functionality of RealityServer.”

Under the terms of the agreement, mental images acquires the source code and all
75 rights to Cult3D and all related 3D technology and Cycore becomes a shareholder in mental images. Additionally, the entire Cult3D development team will join mental images as part of the company’s office in Stockholm, Sweden. Cycore will continue to provide support to its existing Cult3D customers and business partners, and become a premier value added system integrator for RealityServer solutions worldwide.

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“The integration of Cycore’s technology into mental images’s RealityServer will allow us to provide the most comprehensive, versatile, scalable and powerful software platform for the creation and deployment of web and WLAN based, collaborative 3D applications and 3D application services,” said Rolf Herken, President, CEO and CTO
85 of mental images. “Cycore’s decision to base their future business on the utilization of this platform further proves that RealityServer is the platform of choice for satisfying the needs of any customers that require such applications and application services.”

To date, mental images’s patented technologies and products are distributed primarily
90 as the integrated rendering and (in some cases) modeling software components of leading digital content creation and CAD programs such as Alias’ Maya®, Softimage’s Softimage®|XSI™, discreet’s 3ds max® and 3ds viz, SolidWorks’ SolidWorks® and Dassault Systemes’ CATIA®. Alias, an SGI (NYSE: SGI) company; Dassault Systemes, SA (NYSE: DASTY), discreet, a division of Autodesk, Inc. (NASDAQ: ADSK);

95 SolidWorks, a wholly owned company of Dassault Systemes, and Softimage, a wholly owned company of Avid Technology (NASDAQ: AVID) also sell a standalone version of mental ray®, mental images's Academy Award®- winning rendering software.

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About RealityServer: RealityServer is mental images's new product that enables interactive manipulation and visualization of existing and newly created 3D content. RealityServer based applications permit thousands of users to simultaneously and optionally collaboratively access and interact with original 3D data. Since the original content remains on the server, access to data and user policies are easily secured and managed centrally. This benefit is especially important for industries that will increasingly rely on interactive collaboration but have a strong interest in maintaining control over their core data. Industries that stand to benefit from RealityServer include: remote maintenance and repair; online training and product support; collaborative product design and content creation; medical imaging; simulation and geophysical data analysis; defense and intelligence applications; interactive online gaming/entertainment; and e-Commerce.

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 company's main product 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. mental ray was initially released in 1989 and has been used in the production of more than 130 major motion pictures, including such recent blockbusters as "Matrix Reloaded" and "Matrix Revolutions", the "Harry Potter" series, "Star Wars: Attack of the Clones", "Hulk," and "Terminator III." Leading visual effects companies and studios, such as Industrial Light and Magic, ESC Entertainment and DreamWorks are among mental images's largest customers. Additionally, in the CAD field mental ray is used by the world's leading automobile and aircraft manufactures to accelerate the design of new products. RealityServer® is mental images's next generation product that enables interactive manipulation, visualization and annotation of existing and newly created 3D content within enterprise software solutions.

mental images GmbH is a privately held company based in Berlin, Germany, with a wholly owned subsidiary mental images, Inc. in San Francisco, California and an office in Stockholm, Sweden. For more information, visit www.mentalimages.com.

About Cycore: Cycore is a graphics software company, focused on the Internet, headquartered in Uppsala, Sweden. Cycore was founded in 1996 by a group of engineers, led by Jerry Pettersson. Cycore is the leader in interactive 3D graphics software for e-business. The company specializes in the development of 3D technologies for e-business. Cult3D, the fastest software rendering engine in the world, is a product visualization application used in Web sites, in Microsoft Office® documents and in Adobe Acrobat® files. Users can spin, zoom and explore a Cycore Cult3D model to view and understand a product from any perspective – all with the click of a mouse. Cycore has won several awards for its products, including "Best Internet Software" category for 'PC Week's Best of Comdex Award at Fall Comdex '98. In 1999, Cycore was awarded the coveted European Information Society Technologies (IST) Prize. As a tool for efficient handling of 3D data, Cult3D Designer is today well known all around the world. The recognized software logo is representing many years of high-quality research and development in the 3D field.

Cycore AB is a publicly traded company based in Uppsala, Sweden, and has offices in France, Germany, North America and Asia. For further information please visit www.cycore.com.

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