

**BERLIN BASED FILM PRODUCTION COMPANY BFC SELECTS MENTAL IMAGES
TECHNOLOGY FOR
MAJOR 3-D FILM 'HAPPILY N'EVER AFTER'**

**mental images To Provide Rendering and 3D Modeling Technology To Create Animated
CG Feature Film Starring Voice Talents Including Sigourney Weaver, Sarah Michelle
Gellar, Freddie Prinze Jr., George Carlin, Andy Dick, Wallace Shawn and Patrick Warburton**

Los Angeles, CA., October 31, 2004 -- BFC Berliner Film Companie GmbH has entered into a software license and custom development and support agreement with mental images GmbH, an international leader in providing rendering and 3-D modeling technology. Under the terms of the agreement, mental images has licensed its mental ray® software to BFC Productions, BFC's in-house production service arm, for use in creating 3-D computer-generated (CG) animation; its first use will be in the production of BFC's upcoming major 3-D feature film *Happily N'Ever After*. The studio will be under the supervision of Michael Hefferon, BFC's Head of Production.

Happily N'Ever After is a feature length 3-D CG animated motion picture planned for delivery in the third quarter of 2005. The film is a humorous action/adventure reinterpretation of classic Grimm Brothers Fairy Tales intended for all audiences. The 3-D CG feature will include the voice talents of Sigourney Weaver, Sarah Michelle Gellar, Freddie Prinze Jr., George Carlin, Andy Dick, Wallace Shawn and Patrick Warburton. Paul Bolger will direct from an original script by Robert Moreland. Rainer Soehnlein is executive producer, *Shrek 1 & 2* producer and Vanguard Films principal John H. Williams will produce.

The many blockbuster films that have utilized mental images software include *Shark Tale*, *The Matrix Reloaded*, *Star Wars: Episode II Attack of the Clones*, *The Hulk* and *Terminator 3: Rise of the Machines*. mental ray software supports powerful 64-bit computer processors as well as the most recent dedicated graphics processors for maximum rendering speed. 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.

"We are delighted to witness - and contribute to - the creation in Berlin of one of the world's few full-scale facilities for the production of 3-D feature animation movies. BFC's selection of our technology for the implementation of its rendering pipeline is a clear endorsement of mental ray as the industry's de-facto standard solution for highest image quality rendering that is also the seamlessly integrated rendering component of the world-leading 3-D content creation tools," said Rolf Herken, President, CEO and CTO of mental images. "We look forward to providing the team at BFC with the dedicated support and custom development that consistently contributes to our customers' ability to advance the state-of-the-art in the industry."

"I am excited about the tremendous potential represented by this venture and our partnership with mental images," says Rainer Soehnlein, President & CEO of BFC. "We are confident that we will be able to attract major filmmaking talent from all over the world to our new facility, as it will be on the forefront of technical innovation."

BFC Berliner Film Companie Productions GmbH was formed in 2002 to develop and produce feature film and television animation. Working with America's top creators, producers, and directors, BFC has established a unique American-style production company in the heart of cosmopolitan Berlin, along with an office in Los Angeles, CA in order to maintain a presence in the heart of the U.S. entertainment industry. BFC is affiliated with Dresdner Allianz Group, one of the leading financial powerhouses in the world.

mental images GmbH is a privately held company with headquarters in Berlin, Germany, a subsidiary in the U.S., mental images, Inc., and an office in Stockholm, Sweden. mental images has a multinational staff of top qualified engineers exclusively dedicated to basic research and development in the area of 3-D graphics technologies.