

(Under strict embargo until 9am BST 25/09/2012)

THE FOUNDRY AND LUXOLOGY JOIN FORCES

PRESS Q&A

Q: The big question - what are the companies now called?

A: The Foundry and Luxology each retain their respective names.

Q: Who are Luxology?

A: Luxology, LLC is an independent technology group based in Silicon Valley consisting of many of the most notable brains in the field of 3D modelling and rendering. Founded in 2001 by Allen Hastings, Stuart Ferguson and Brad Peebler, Luxology employs a team that includes some of the top engineering talent on the planet. Luxology is best known for its award-winning software, modo. The company also licenses its Nexus software architecture to various technology partners, primarily in the CAD and Entertainment industries.

Q: Who are The Foundry?

A: Established in 1996, The Foundry produce a range of award-winning software solutions that facilitate ambitious visual effects across commercials, animation, episodic television, film and more. The fastest-growing company in its field today, The Foundry is internationally renowned for its product design and its collaborative and open approach.

Led by CEO Bill Collis and a management team that still includes the original founders, The Foundry is backed by The Carlyle Group with a substantial portion still owned by the staff. This rapidly growing UK company has more than 160 employees distributed between its London headquarters and Los Angeles offices as well as other locations Worldwide.

Q: Who proposed this deal?

A: A gentle push from matchmakers ILM in December 2011 led to a courtship between the two companies that has resulted in this announcement today.

John Knoll, Visual Effects Supervisor at Industrial Light & Magic

comments:

“I was a fan of the fast modelling and interactive rendering in modo, but had only been able to use it on specific one-off shots. At the time of our meeting I was also starting to get really excited about KATANA’s ability to manage the kind of complexity that passes as normal at ILM and so I planted the seed that a combination of the two products would allow me to use modo for asset creation and rendering more extensively on a large project.”

The vision laid out by John certainly got us talking and it soon became apparent that we had a lot more common ground than just this. The Foundry and Luxology are a great match on many different levels. The more we talked about how we could help each other, the more it just made sense.

Q: So why have we done it?

A: Both companies are very good at what they do and have successfully addressed the needs of customers for many years in a diverse set of markets. The Foundry and Luxology have both prospered by putting customers at the core of their business and keeping very open channels of communication at all levels. The product portfolios of the two companies are incredibly complementary - with no product overlap- making for a natural fit technically as well as ethically. With this enhanced scale and community-friendly attitude, we want to offer the design and entertainment industries a powerful new choice.

Q: What is the name of the combined entity?

A: For now, we’re keeping both company names and brands as they are.

Q: What happens next?

A: The Foundry and Luxology brands and customers are very valuable things that we don't want to harm. So from day one - nothing changes. The existing teams remain the same, the websites remain the same, and you can continue to work with both companies in the same way you've always done. Internally we will begin the process of cross-pollination in an effort to leverage the combined strengths and knowledge base.

Q: How does this benefit the customers?

A: The Foundry and Luxology have very complementary product offerings. They have also cultivated user communities which are today reasonably distinct, but could both benefit hugely from technology adapted from the existing products of the other company. This gives the new entity the opportunity to use its combined development resources to greatly improve product offerings for all customers.

Q: I'm a modo customer from the design world. What does this mean for me? Are Luxology only going to be interested in film and entertainment from now on?

A: The Design market is key to Luxology's continued success and servicing the needs of designers and visualisation professionals remains a vital priority. This year, Luxology has introduced more products for modo users in the Design markets than ever before including innovative SubD surfaces to Nurbs conversion capability, and CAD Loaders that allow a world of CAD data to be imported into modo. We want to offer tools that allow designers to create ever more compelling design presentations and are confident this marriage with The Foundry will accelerate this development.

Q: What changes will there be in Luxology's customer support?

A: The existing support setup will remain in place. As we get to know each other better we will look to offer support for modo through The Foundry's wider support network using from both companies.

Q: What changes will there be in The Foundry's customer support?

A: There will be no changes other than that we hope to offer modo customers support in time.

Q: Are we adding staff?

A: Yes we are! We're investing in development, sales and support. If you want to work for us please keep your eyes on our job board

<http://www.thefoundry.co.uk/jobs/> To submit a resume to Luxology, please send to HR@luxology.com.

Q: Will there be job losses?

A: No. We are actually in the process of hiring so the merger results in more combined staff.

Q: Are there any changes to the developer communities contributing plug-ins for both companies?

A: For both companies, existing developer contracts will remain the same.

Q: Does this affect anything The Foundry have on their development schedule already?

A: No, everything is carrying on as normal. New projects will be getting new resources.

Q: Does this affect anything Luxology have on their development schedule?

A: No, everything is carrying on as normal. No one knows better than the team at Luxology what modo needs next. New projects will be getting new resources.

Q: Where do I buy modo?

A: From Luxology, through the usual channels. In addition, if you want to buy through The Foundry, then please contact your usual sales person. The Foundry sales team will be able to arrange modo licenses through Luxology (until there

are sufficient systems to do it direct).

Q: Where do I buy The Foundry products?

A: You can buy either direct from The Foundry or through their partners. You can find a list here:<http://www.thefoundry.co.uk/partners/search/>

Q: How do I get trial licenses?

A: Trial licenses of The Foundry's products can be obtained from www.thefoundry.co.uk

Trial licenses of modo can be obtained from <http://www.luxology.com/trymodo/>

Q: How big are the combined companies?

A: The Foundry has 160 staff, Luxology has 30, and we still plan to add new resources.

Q: Will Luxology's office stay open?

A: Yes - Luxology's office in Mountain View, CA. will remain open, and we will probably need to expand it.

Q: Will the senior management at Luxology be changing?

A: No - Brad, Stuart and Allen will continue being responsible for the day to day operation of Luxology. In addition, Brad will take on the bigger role of 'President of the Americas' for the larger organisation, which means he will be responsible for both companies joint operations in North and South America, reporting directly to Bill Collis, CEO of The Foundry.

Q: Will the modo product continue?

A: Yes - absolutely..

Q: Will you be changing the price of modo?

A: The price of modo 601 will not change. For future releases The Foundry and Luxology will take their usual approach of assessing product pricing on a release

by release basis.

Q: What are your future plans for modo?

A: We think the The Foundry's experience in and knowledge of VFX combined with Luxology's expertise will allow us to make modo an even more compelling offering for this community. There is a lot to do and it will take time, but some of The Foundry's engineers have actually been working with Luxology on this for some months now.

Q: Will I be able to buy modo as part of The Foundry's educational license?

A: The educational programmes of Luxology and The Foundry are subtly different. We will review these over time, but they will remain distinct for now.

Q: Is my modo licence still valid or do I need a new one?

A: Yes your modo licence is still valid.

Q: Will the EULA change?

A: No, the EULA will remain the same. As we bring out future product releases there may be some changes, but not for now.

Q: Will modo work in an integrated fashion with The Foundry's other products?

A: Over time we will work to make this better and better. Development has been going on in the background pre-announcement and will continue to do so.

Q: I am a customer of The Foundry - can I buy modo through The Foundry's usual channel partners?

A: Yes if the Foundry channel partner is already a Luxology reseller. Otherwise, no - but we're working on it.

Q: I am a Luxology customer - can I buy The Foundry's products

through the usual Luxology channel?

A: This may be reviewed in time, but presently no. You can buy products from The Foundry either via their website www.thefoundry.co.uk, by contacting sales@thefoundry.co.uk or through their current approved channel partners <http://www.thefoundry.co.uk/partners/search/> .