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STEVEN P. JOBS AND PIXAR EMPLOYEES BUY PIXAR

San Rafael, Ca., February 10, 1986 -- Pixar, the computer graphics division of Lucasfilm Ltd., announced today that it has been acquired by Steven P. Jobs and the employees of Pixar. Pixar, now an independent company, will design, manufacture and market high performance computers and software specifically tailored for state of the art computer graphics and image processing applications.

Mr. Jobs paid an undisclosed sum in the millions to Lucasfilm Ltd. for a majority interest in the firm. The employees own the remaining shares. Pixar's Board of Directors will be comprised of Jobs, chairman, Edwin Catmull, president of Pixar, and Alvy Ray Smith, vice president of Pixar.

The new firm has a product, the Pixar Image Computer, ready for market. Developed during the last three years at Lucasfilm Ltd., the Pixar Image Computer is over 200 times faster than conventional minicomputers at performing complex graphic and image computations. At these specialized tasks, the Pixar Image Computer is also faster than a \$6 million supercomputer. The Pixar Image Computer will be introduced to the commercial and scientific markets within the next 90 days and will sell for approximately \$125,000.

Pixar was originally formed in 1979 by George Lucas to bring high technology to the film industry. Lucasfilm Ltd. will continue to use the Pixar Image Computer and other technologies to produce computer animation for films through its special effects division, Industrial Light & Magic (ILM), and for home entertainment through its Games Group.

Mr. Catmull said, "Society's ability to generate large amounts of data far exceeds its ability to assimilate this data. High performance graphics holds great promise for analyzing and rapidly processing this data into a form which we can see and use. The Pixar Image Computer cost-effectively processes and displays large amounts of data in new and unique ways for the benefit of professionals in medicine, geophysics, printing, remote sensing and other industries."

Mr. Jobs said, "Image computing will explode during the next few years just as supercomputing has become a commercial reality within the last several years. The technology is just now ready and Pixar will be the first to define and pioneer this new segment of the computer industry. I'm excited to be associated with this emerging new field of technology."

Edwin Catmull (40) and Alvy Ray Smith (41) both hold PhD's in computer science and have been leaders in the field of computer graphics for over ten years. Steven P. Jobs, a young industrialist, is founder and president of NEXT, a silicon valley startup which will make powerful computers for the higher education market.