



For Immediate Release
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NaturalMotion Announces Funding from Benchmark Capital Europe
Financing from Top-tier VC to Further Extend Technology Leadership in Interactive Entertainment

OXFORD, UK – Aug. 15, 2006 – NaturalMotion Ltd., the award-winning developer of 3D animation technology based on Dynamic Motion Synthesis (DMS), today announced that it has closed a financing round with Benchmark Capital Europe, the top-tier venture capitalist behind eBay, Betfair, Setanta and bebo.com. The additional capital will help NaturalMotion extend its lead in the development of innovative and interactive 3D entertainment technologies such as *euphoria*, a ground-breaking motion synthesis technology for next-generation video game consoles.

“Raising additional capital was a matter of choice, not necessity, and had a lot to do with the partner,” said Torsten Reil, CEO of NaturalMotion. “We have had a great relationship with Benchmark since well before the financing and truly share their vision of building pioneering, world-class technology companies.”

“NaturalMotion is one of those companies that does things others thought were impossible,” added Mark Evans, partner at Benchmark Capital Europe. “Their client roster is hugely impressive, and their technology has to be seen to be believed. We are committed to helping NaturalMotion grow for the long term, as we do with all other companies we invest in.”

About NaturalMotion

NaturalMotion Ltd. is the first company to create 3D character animation software based on DMS, a technology that utilizes Adaptive Behaviors and artificial intelligence to simulate the human-nervous system. Based on Oxford University research on the control of body movements, NaturalMotion’s *euphoria* synthesizes 3D character animation in real time on PLAYSTATION® 3, Xbox 360™ and PC, thus creating unique game moments and previously unachievable interactivity. *euphoria* is being used in several AAA next-generation titles, including LucasArts’ “Star Wars” and “Indiana Jones” game titles. NaturalMotion’s other DMS product, *endorphin*, creates off-line animation an order of magnitude faster than traditional techniques, and is widely used in the film and games industry, with customers

such as Sony, The Mill, Capcom, Namco and Konami. NaturalMotion also recently announced its third product, *morpheme*, a powerful new animation engine and tool chain for next-generation game development.

For additional information please visit NaturalMotion's website www.naturalmotion.com, or join the 25,000 *endorphin* LE users at community.naturalmotion.com.

About Benchmark Capital

Benchmark Capital is a leading international venture capital firm, focused on helping talented entrepreneurs build great technology companies which are focused on long-term growth. Managing more than US\$3 billion in committed venture capital, Benchmark's partners take an active, team-oriented approach to venture investing.

The firm was founded in the US (Silicon Valley) in 1995, the European office opened in London in 2000 and the Israeli office in 2001. Benchmark Capital Europe has two funds totalling US\$875 million and has made over 50 investments across a variety of geographies and technology market sectors. The European funds include companies such as Betfair (the world's largest online betting exchange), Setanta (the leading pay-TV sports broadcaster), Bebo (the social networking site), Alphyra (the leading pan European electronic payments provider) and MySQL (the open-source database business). Other Benchmark investments include eBay (Nasdaq: EBAY) and Red Hat (Nasdaq: RHAT).

For more information, please visit the website at www.benchmark.com.

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