



COMPANY BACKGROUNDER

THE COMPANY

The LitCentral™ Web- and desktop-based script management system streamlines the script development process by making it easier for writers, studios and agencies to work as a single system.

THE ENTERTAINMENT INDUSTRY CONUNDRUM

While Hollywood movie production and post-production is masterful in its use of technology to amaze and delight audiences, little has changed in the submission, pre-production and development process since the film industry's conception nearly a century ago.

Hollywood reviews thousands and thousands of scripts from new and established writers every year. The U.S. Patent and Trademark Office had almost 400,000 literary, film and television literary works registered for copyright in 2003; the number of non-registered works brings the total volume of content much higher.

Screenwriters, studios and agencies all agree: the script submission and management process is slow and confusing and operates erratically—at best. In today's technology-driven times, a bottleneck between submission and production has slowed the development process: the technology supporting script development has not kept up with the proliferation and productivity of writers.

Development itself has been criticized by many as a flawed process. Screenplays are analyzed by the lowliest intern to the highest executive, all with varying and inconsistent analytical skills.

Screenwriters are slow to get responses and are provided with limited and inconsistent coverage; studios have slow development processes and are prey to lawsuits that challenge their review processes, alleging "stolen ideas"; and agents constantly have to walk the tightrope of answering the concerns of their writer clients and the demands of the studios.

LitCentral provides a universal language for script analysis. The result unveils the true strengths and weaknesses of a script.

SELECTED FACTS

- In a June 2006 study titled "The Modern Movie Experience" conducted by Nielsen Analytics and the Movie Advisory Board, moviegoers nationwide who said they are going to movies less often than they used to often said the main reason is that movies aren't living up to expectations.
- Ticket sale revenues dropped five percent in the first 11 months of 2005, while the number of Americans going to the cinema fell by 6.2 percent compared with the same period in 2004, according to box office trackers Exhibitor Relations Co., Inc.

THE LITCENTRAL SOLUTION

LitCentral believes that fixing the development process by streamlining script management will result in a better product at the box office. A studio that starts with a higher-quality product going into production



increases its chances of creating a box-office winner.

MISSION

LitCentral's mission is to offer the entertainment community a cost-effective system to provide coverage and to securely distribute scripts to those along the development continuum: writers, agencies, production companies and studios/networks.

With LitCentral, writers know the status of their script reviews and receive truly helpful in-depth feedback. Studios can search for new script material and archive old scripts that are searchable by the use of a few keywords. And agents can more quickly match their clients with buyers and provide a better quality literary asset.

MARKET FOCUS

LitCentral products have been developed to serve all creative development and production participants in the film and television industry. *See our SOLUTIONS BRIEF for more information.*

- Writers
- Agencies (talent/literary)
- Production companies
- Networks and studios

TECHNOLOGY

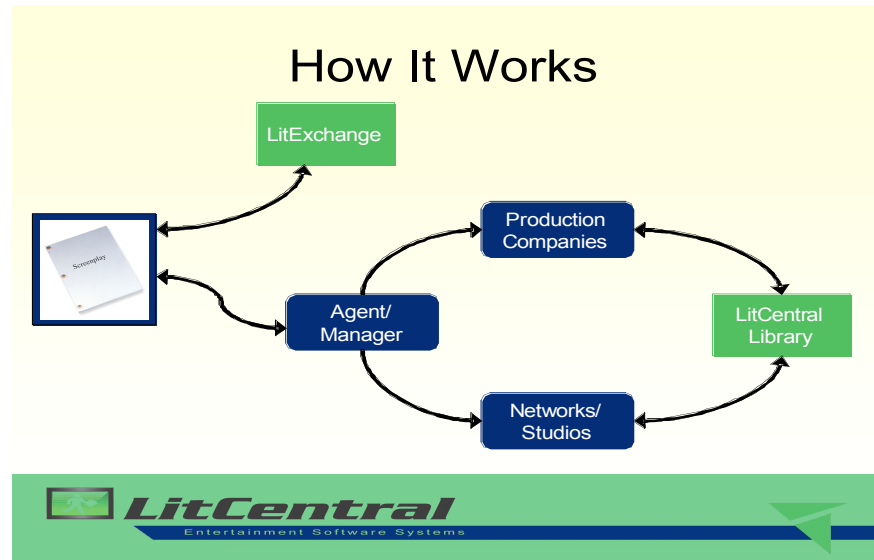
LitCentral's technology allows writers to submit scripts electronically to a secure network with restricted access, and grants users control while preventing unauthorized distribution of their literary assets.

The unique patent-pending LitCentral script coverage capability streamlines the development process with a methodology that consistently assesses and analyzes the various elements within a script. The methodology features:

- Ability to simultaneously read and assess scripts, resulting in up to a 50% increase in reader productivity
- Quantifiable evaluation criteria that minimize subjective feedback and allow consistent coverage analyses
- Analytical interpretations of a script using numeric values, bar and line graphs
- At-a-glance assessment of strengths and weaknesses of creative material and writers
- Capability to merge multiple coverages and filter coverage based on reader's skill level
- Secure user-defined restricted-access network that prevents unauthorized mass distribution of literary assets
- Fast search of archived scripts based on various factors (i.e. numeric value, market trends, budget, genre), such as searching

for Westerns with a strong premise and a strong antagonist

- Access-anywhere mobility through mix of Web-based and desktop software
- Paperless environment that significantly decreases paper, copying, scanning and archival costs



PRODUCTS

LitCentral Basic Film Edition – Hosted offers basic search and a limited array of reporting features and report export capabilities. It is hosted on LitCentral's servers.

LitCentral Basic Film Edition – Licensed offers basic search and a limited array of reporting features and report export capabilities; it is hosted on a customer's own servers.

LitCentral Pro Film Edition – Licensed offers custom field/meta information, advanced (Boolean) search, and other customization features; it is hosted on a customer's own servers.

LitExchange is a downloadable plug-in software that allows writers to access and interact with coverage feedback from industry professionals (i.e. agents, managers) who are using LitCentral.

LitCentral Library is a repository for coverage reports - for scripts and manuscripts - that have been analyzed via LitCentral; the coverage reports are accessible by entertainment and publishing industry executives (similar to online script databases/repositories). Coverage reports can be sorted by various criteria such as genre, numeric value, writer/author, etc.

The software runs on Microsoft® Windows® (including Windows XP Tablet Edition) and Apple® Macintosh® OS X 10.4.



SALES MODEL

Direct sales; reseller partnership with Digital Design Los Angeles (DDLA), the largest provider of software training to the Hollywood film and television industry.

AVAILABILITY AND PRICING

LitCentral Film Edition will be available 4Q 2006; a future edition for the television industry will be available in early 2007.

LitCentral Basic Film Edition – Hosted

Monthly subscription fee of \$54.95/concurrent user, plus optional telephone support

LitCentral Basic Film Edition – Licensed

One-time purchase starting at \$1,995 per user, plus support and maintenance

LitCentral Pro Film Edition – Licensed

One-time purchase starting at \$2,495 per user, plus support and maintenance

LitExchange

One-time download charge of \$19.95 from LitCentral site

LitCentral Library

Monthly subscription fee of \$9.95/LitCentral user

PARTNERSHIPS

Digital Design Los Angeles

COMPETITION

There is no direct competition to LitCentral. Baseline Studio Systems offers products that are complementary to but do not compete with LitCentral's products.

FINANCIAL

Founded in 2005, LitCentral is privately financed through individual investors.

MANAGEMENT

Robin Hillary - *Co-founder; President/CEO*

Michelle McCarthy - *Co-founder; Vice President/COO/CFO*

CONTACTS

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Robin Hillary (Co-founder; President/CEO)

Known as the "Gadget Queen" amongst those who know her, Robin has combined her tech savvy and her love of writing to join with Michelle McCarthy to create LitCentral.

Robin earned a B.S. in Marketing from Southern Illinois University and an M.F.A. in Screenwriting from Loyola Marymount University (LMU). Combining her education and her experiences as a burgeoning screenwriter, Robin recognized that there had to be a better way for creative people to communicate and market their literary assets.

While earning her masters degree, Robin was fortunate to work for major studios, including NBC and Raleigh Studios. These environments gave her ample opportunity to learn behind-the-scene operations in the entertainment industry, reinforcing her belief that there could be a better approach to analyzing and communicating writers' material.

Robin was one of the first members of her graduating class at LMU to sign with a major agency, International Creative Management (ICM). From the writer's seat, Robin experienced the traditional methods of marketing a screenwriter and the crying need for better use of technology in the development process.



Michelle McCarthy (Co-founder; Vice President/COO/CFO)

Michelle spent her early corporate career preparing financial statements to ensure legal and banking regulatory adherence for a Fortune 500 Company. She analyzed client business processes and identified key opportunities for improvement by demonstrating their financial impacts. Her leadership skills made her a highly sought project leader, and her achievements included a departmental "work-in-progress" workflow system that increased personnel productivity and significantly improved deliverable quality. Her management skills were further developed by repeated successes in hiring, training, motivating and retaining quality personnel by creating a positive work environment.

After 10 years in the financial industry, Michelle went from "boardrooms to bottles" and took on the roll of motherhood. While raising her three children, Michelle utilized her entrepreneurial skills and turned her passion for photography into a successful mobile portrait studio. Moving from still photography to motion pictures, Michelle joined long-time friend Robin Hillary to form the team behind LitCentral.