

OBJECTIVE

To create a well managed financial project with minimal downside risk, while preserving much of the incredible upside potential available in the independent film industry.

EXECUTIVE SUMMARY

OVERVIEW OF COMPANY

Slice Pictures, LLC is a Limited Liability Company, consisting of the Managing Members. The company is an independent motion picture production company assembled from creative and business professionals with a common goal of producing the 35mm feature length, independent film, SLICE.

Slice Pictures, LLC has formed an alliance with Chris Allen Williams and Studio 108, a Richmond-based commercial film/digital production house. Williams, who will direct SLICE, is a former theatrical director, and has brought his storytelling passion not only to the commercial arena, but to the film world as well. His thriller "SOLITUDE," gained critical acclaim at the 2004 New York International Film Festival.

Studio 108 specializes in "big budget look and feel" through the strategic use of their own green screen film technology, Hollywood-based sound recreation, and their own local team of professional editors. This combination will position SLICE into a larger budget horror film category.

THE PROJECT

SLICE falls into the survival horror film genre and "young adults with issues" sub-genre.

SLICE tells the story of a group of young adults playing in an annual golf tournament at a rundown golf course, recently renovated for night golf. But when a stranger stumbles onto the remote course and into their lives, chaos erupts. The golfers find themselves surrounded and cut off from their cars – cell phones useless due to the remoteness of the course. The friends panic and scramble into the woods. Their only chance of survival is mired in their ability to forget the differences of the past, join forces and fight to ensure their future. But they are lost, separated and bloodied. What chance do they have?

Budgeted at \$800,000, SLICE is intended for theatrical, video/DVD home sales and rental, and cable TV exhibition in the U.S. and abroad.

OUR PLAYERS

KATE ORSINI

Orsini starred in The Sci-Fi Channel's "GARGOYLES: WINGS OF DARKNESS" which premiered on Halloween 2004 and will be distributed by Lion's Gate Entertainment. Orsini also starred in "PUPPET MASTER – THE LEGACY" and will soon be seen in "WELCOME TO EARTH."

MICHAEL SWAN

Television veteran and popular daytime star since 1986, Swan has enjoyed a successful stretch in television starting with a 10-year run on “As The World Turns” as the Scottish rogue, Duncan McKechnie. (He later reprised the role in 2000 and 2001.) Next up was the role of Bishop John from 1996-1997 on “One Life To Live,” followed by the part of Adam Alexander on “The Bold And The Beautiful” (1998-2000). Swan reprised the role in 2001, 2002, and 2003. “The Bold And The Beautiful” is the most watched television series in the world, seen in 110 countries by 300 million viewers, a fact not lost on the management team as it formulates its foreign distribution sales plan. Swan recently finished principal photography for a new indie film, “ROGUE’S GALLERY” for Upfront Multimedia, Inc.

MARK JOY

A 20-year film veteran, Joy’s credits include co-starring roles in many films including “BLACK RAINBOW,” “PECKER,” “PERFECT DAUGHTER,” “THE MEMOIRS OF SALLY HEMMINGS,” “LUVS STRUCK,” and John Grisham’s “MICKEY” in which he co-starred with Harry Connick Jr. Joy was recently cast as FBI agent partner to Martin Lawrence in “BIG MOMMA’S HOUSE 2.” He has worked on more than 50 films, a dozen network series (“Legacy,” “Matlock,” “The Fifth Corner,” “Dawson’s Creek,” and “Alien Nation,” to name a few), and in countless commercial and corporate projects.

(Slice Pictures, LLC is also planning to round out the cast with a group of actors in their mid-20s to play the doomed golf foursome and their girlfriends.)

THE FILM INDUSTRY

The film industry is one of the largest, complex, and most mature industries in the nation. However, we are concerned here with a specific, growing niche market within the larger film industry. The “independent film” market.

This indie film market is a loose alliance of independently owned production and distribution entities specializing in challenging, more explicitly artistic film production than what is pursued by the major Hollywood studios. This market is defined by smaller budgets (up to \$10 million vs. the national average of \$55 million).

THE MARKET

The indie film market is a comparatively young and rapidly growing section of the larger film industry. Indeed, this is a market that has seen a 20% annual growth over the past decade. The total U.S. box office in 2004 was \$9.4 billion with indie films accounting for \$3.7 billion, or 40%.

FOREIGN SALES

Foreign sales, while more dependent on a successful US theatrical run than other secondary revenue sources, nonetheless offer great opportunity to the indie producer. Taken as a whole, the US film rentals outside North America constitute an almost \$5 billion dollar market, with Japan remaining the most lucrative single territory.

ANCILLARY MARKETS

Ancillary markets for films include cable and broadcast TV, video and DVD sales and rentals, Internet, and a host of lesser markets such as Pay-per-view and domestic airlines. Cable TV is the most important, with the Sundance and Independent Film Channel together posting a 40 million household penetration. Premium cable has also expanded dramatically. HBO, a single channel just a few years ago, now has 10 different channels available in most areas. The \$25 billion

domestic video and DVD market is a close second, with such chains as Hollywood Video and Blockbuster making significant commitments to specialty product over the last two years.

DISTRIBUTION STRATEGY

The motion picture industry is highly competitive. Much of a film's success is related to the skills of its distributor's marketing strategy. As an independent producer, Slice Pictures, LLC intends to negotiate with distributors just prior to, and during principal photography. This strategy increases the company's bargaining power and potential profit the film may earn.

Slice Pictures, LLC currently has requests from Lions' Gate Entertainment and Shoreline Entertainment for "first peeks."

The company also plans to market and show the film at the American Film Market in Santa Monica, CA, the largest market in the world for independent films, in order to maximize opportunities such as a direct sale. Two other film markets, Slamdance, and the Toronto Film Festival, both growing in popularity, may also be used based on the timing of the film's completion.

INVESTMENT OPPORTUNITY AND FINANCIAL HIGHLIGHTS

Slice Pictures, LLC seeks capital to fund the motion picture production of SLICE and proposes to secure all its monies from venture capitalists or accredited private investors.

Investors contributing 50% of the budget will receive an "Executive Producer" credit in the final film. Distribution of profits (in order): (a) Investors receive back their initial investment, (b) Investors receive 15% interest on their investment, (c) Investors receive 50%, Producers receive 50%.

SCARY MOVIES

In June '03, "28 DAYS LATER" opened with a \$10M weekend and grossed \$83M worldwide by Dec. 15th. Perhaps more notably, "SHAUN OF THE DEAD," an independent horror (zombie) film, opened the following summer to a \$3.3M weekend and has to date earned \$29M worldwide.

George Romero, the man who started it all with "NIGHT OF THE LIVING DEAD," released "LAND OF THE DEAD" in June '05. The film has so far generated \$43M worldwide. The horror/thriller film "CRY WOLF" – filmed locally in Richmond, Va., for only \$1M – opened in September '05 and generated \$10M in ticket sales in just two months.

This recent success reinforces our belief that horror fans are reliable theater-goers and voracious consumers of entertainment. Since the genre has continued to prosper for decades, it can be safely be said that new generations of horror fans are born everyday. Slice Pictures, LLC plans to take advantage of this.