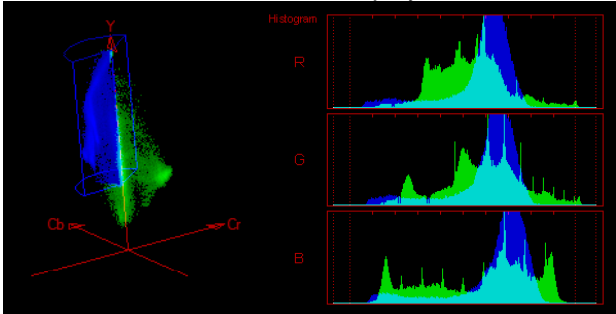


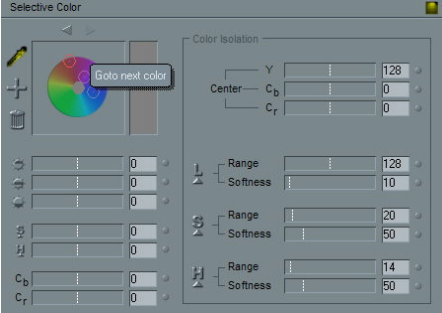
1 Competitive Analysis

Pinnacle Liquid Edition is a professional solution offering the flexibility, scalability and power that today's professionals require and independent videographers desire, at a price that is accessible to everyone. Please see how Pinnacle Liquid Edition stacks up against the competition by specific feature in the below detailed comparison with Adobe Premiere Pro. Don't be fooled by the marketing hype. Next, please see what objective outside press and users are saying about Pinnacle Liquid Edition at the designated links on the Pinnacle Liquid Edition website. Don't stop there! Catch a real in-person demo at one of the many stops on the Pinnacle Liquid Edition Road Show and/or your preferred Pinnacle Authorized Reseller. At Pinnacle, we believe Liquid Edition is a superior product and we want you to see all of the facts before making a very important purchase decision.

1.1 World Class Color Correction

Liquid Edition's CX Color Correction is the most advanced secondary color corrector in its' class. The four major segments - primary color, six vector color, selective color, and legalizer give the user comprehensive and instant control of all of the relevant settings.

Pinnacle Liquid Edition version 5.5	Adobe Premiere Pro
<p>Besides Histogram and Lighting, Liquid Edition 5.5 allows the user to visualize and edit Vector Scope Waveform and the 3d-Cube display.</p> 	<p>Adobe Premiere Pro can only display vector scope, waveform and parade, none of these scopes are editable and therefore only of limited use.</p>
<p>Liquid Edition 5.5 has a workflow optimized and clearly arranged interface that offers the user all of the necessary controls with just one mouse click.</p>	<p>To view the video clip, the scope and the color settings, you have to open a new reference monitor which causes the interface to become more and more confusing. Switching to a different workspace is permanent until it is changed again by the user. Even with the 1600 x 1200 resolution, the inlays are very tiny.</p>
<p>Liquid Edition 5.5 offers a fully automated Hue and Histogram function to match the color of a reference to multiple clips in just one easy step.</p>	<p>Color Match needs to be done manually by loading a specific clip effect.</p>

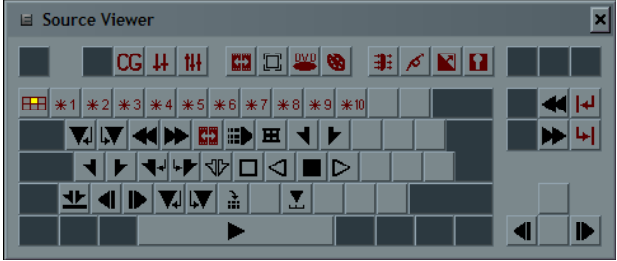
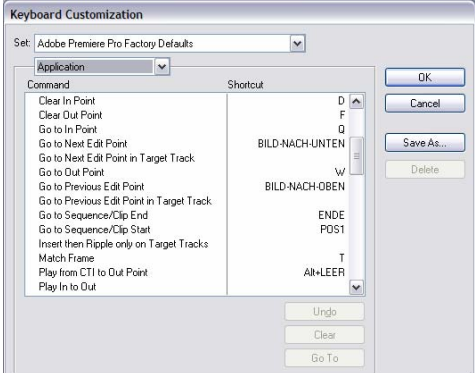
Pinnacle Liquid Edition version 5.5	Adobe Premiere Pro
<p>Liquid Edition 5.5 gives you an unlimited control of selective color correction, including precise settings for range and softness.</p>	<p>Adobe Premiere Pro's color corrector does not offer this option.</p>
	

1.2 Workflow Optimized User Interface

Liquid Edition's user interface is built and optimized for a professional editing environment. Not only does this make an editor's life easier, it gives the new user a quicker learning curve.

Liquid Edition version 5.5	Adobe Premiere Pro
<p>All menus are context sensitive. This allows for the minimum number of mouse movements and need for structured menus.</p>	<p>Standard menu bars show all commands permanently. This is confusing and difficult to navigate.</p>
<p>Liquid Edition 5.5 is optimized for the use with one or two monitors. A single mouse click can switch between multiple optimized views.</p>	<p>The user needs to arrange a vast amount of independent windows for every major editing step. The UI is very confusing and can very easily result in a cluttered and messy set of windows.</p>
<p>Liquid Edition has Windows style desktop storyboarding with the complete freedom to position and arrange clips any way you want.</p>	<p>Very limited options for arranging icons on the Storyboard. It is very difficult to switch between windows.</p>

Example: Keyboard shortcuts

Liquid Edition version 5.5	Adobe Premiere Pro
	



Pinnacle Liquid Edition version 5.5	Adobe Premiere Pro
Liquid Edition 5.5 offers an intuitive way to set your keyboard shortcuts by just dragging and dropping the appropriate command on the desired key.	Premiere Pro offers a complicated dialog that makes it very difficult for the user to properly map the shortcut keys to the keyboard.
In Liquid Edition, the keyboard shortcuts are automatically set to be part of the user settings.	There is no such thing as user settings in Premiere Pro.

1.3 Professional Real-Time Effects and Transitions

Liquid Edition 5.5 is using a unique technology that takes full advantage of the graphics processor (GPU) of the computer's graphic card (AGP). This unique technology allows Liquid Edition to provide real-time, high-quality, 3D calculations with realistic light reflections and shading effects.

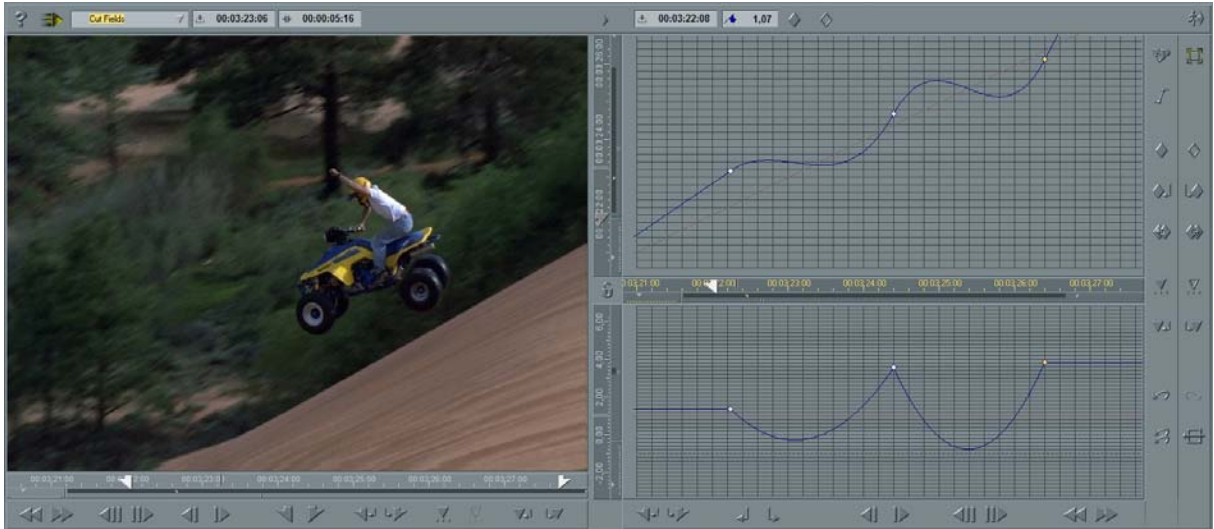
Liquid Edition version 5.5	Adobe Premiere Pro
There are more than 1,200 fully customizable real-time effects and transitions	Around 170 effects that only partially playback in real-time
On a standard off the shelf computer, one can stack more than 10 tracks of video with effects and continue to playback in real-time.	On the same system, a maximum of one effect can be played in real-time.
Liquid Edition's scalable architecture, allows a user to seamlessly increase the number of streams and effects as the processing power of the computer increases.	Without additional third party video acceleration hardware, there is no significant improvement with a more powerful computer.

Example: page curl effect

Liquid Edition version 5.5	Adobe Premiere Pro
	
<ul style="list-style-type: none"> - colored and animated back side - includes shading and reflection - fully customizable 	<ul style="list-style-type: none"> - Simple grey back side - peel is just resizing a bitmap but not rolling - no effect options

1.4 Dynamic Motion Control

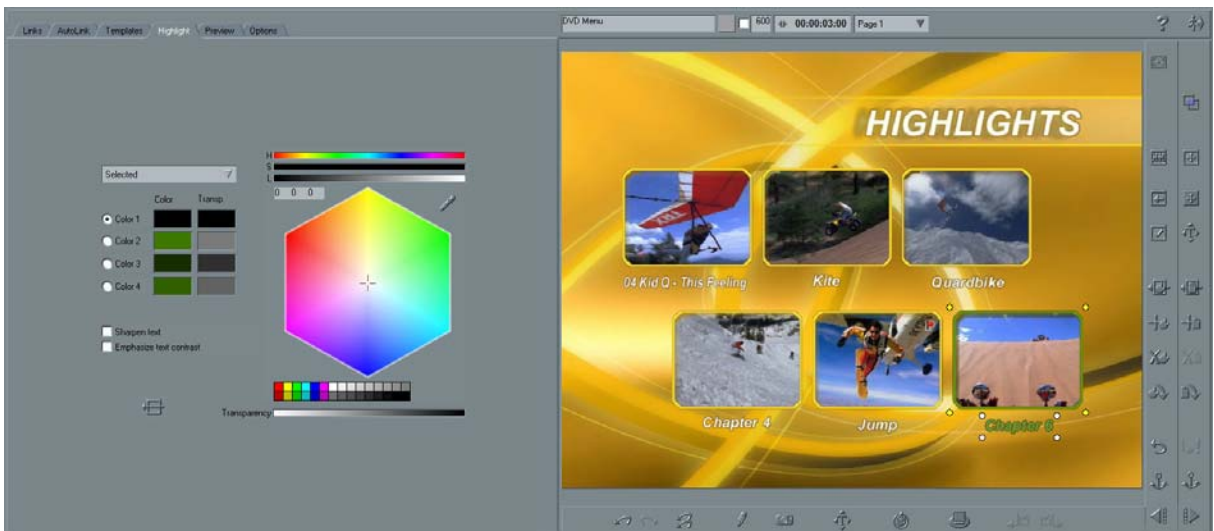
Liquid Edition version 5.5 offers a Dynamic Motion Control feature that not only provides exceptionally fine control over the speed of clips, but also optimizes the ability to make unique adjustments to the speed of clips over time. With Adobe Premiere Pro, you can only make linear speed changes.



Liquid Edition 5.5 – Dynamic Motion Control

1.5 Timeline Integrated DVD Authoring

With Liquid Edition version 5.5, there is no longer the need to waste time and money by exporting your timeline and then opening it in a completely separate DVD authoring application. Traditionally, one had to do change back and forth between applications every time a change was made in your project that needed to be reflected in the final DVD and/or needed to be manipulated to get the correct look and feel for the DVD environment. With Liquid Edition version 5.5, you create wizard based DVD/VCD/SVCD with motion menus, motion buttons and automatic links all using the same intuitive easy to use interface directly from the Liquid Edition timeline. Over forty templates are provided to get you started. And, you have the full editing control and capabilities available for authoring a professional DVD. Adobe Premiere Pro can only export to DVD formats. It has no true authoring capabilities.



Liquid Edition 5.5 – Timeline integrated DVD Authoring

1.6 Additional Pinnacle Liquid Edition version 5.5 Features with no counterpart from Premiere Pro

Instant Save

Why take the risk of losing work when with Liquid Edition's unique InstantSave technology, every step you make is immediately and automatically protected. You can even drop back to an earlier version of your project by using the Undo History palette.

Background Processing

With Liquid Edition 5.5, you can continue to drive your creativity while you are rendering high quality DV output in the background. This speeds the output process up dramatically, because you can continue to edit while you are rendering in the background.

Network Capabilities and Media Management

With Liquid Edition, you can edit directly from a shared storage environment. Liquid Edition's intelligent media management is network savvy and lets dozens of editors view and access common media. This allows production teams to work more efficiently by having the option to work independently and/or together on each and every aspect of a project.

Language Availability

Liquid Edition 5.5 ships in eight languages (English, German, French, Spanish, Italian, Dutch, Simplified Chinese, and Korean) as well as additional languages such as Norwegian, Finnish, Danish, Russian, and Greek that are provided by 3rd party companies. Premiere Pro only comes in four languages.