

INSIDE GAMES & ENTERTAINMENT UPDATE

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The Word Warriors
23115 Broadmoor Court
Auburn, CA 95602

email
gamesup1@ix.netcom.com
igufolk1@aol.com

Publishers/Editors: Hartley & Pattie Lesser
Associate Publisher: Tuncer Deniz
Senior Editors: Gary Le, Lance Forrest
Associate Editors: Sal Iva, Aleksandra Stuart
Field Editor: blud
Editorial Ne'er-Do-Well: Mudgeon

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[DISTILLATIONS: news and new products](#)

* COMPUTER ENTERTAINMENT NEWS *

HUGE CHANGES AT DOMARK

Founded in 1984, Domark Software has always been known for quality products ranging from their flight and space sims to the fantasy role-playing adventures. Now the company has merged with Simis, Big Red and Eidos to form a new company that plans to be at the forefront of the digital entertainment industry. The name of the holding company will be Eidos Plc. However, each of the companies will continue to operate under their own names. This new group, of which Domark forms the largest commercial and equity entity, has been admitted to the Official List of The London Stock Exchange.

Offices will be in San Mateo, California, and in Guildford, Putney and Warwick in England. The group raised about \$10m (before expenses) from institutional investors for working capital requirements. Domark will act as publisher for the group, as well as developing internal products from its own, much-enlarged team of engineers. Plus, product will be sourced from external development teams. In 1994, Eidos collaborated with Domark to exploit their compression/decompression product known as ESC (Eidos Software Codec) through CD-ROM games. The determination was that an alliance of developers with a variety of skill sets should be able to produce games and other consumer products with broad appeal.

Simis is a high tech company specializing in the development of PC-based sims, systems and services, including computer and video games and training systems. Their first PC product was Mig 29 and was published by Domark, signifying the start of a long and successful relationship. Big Red specializes in the production of original software and the company worked for many publishers including Mastertronic (subsequently Virgin Mastertronic), Europress Software and Codemasters. Big Red's recent game releases published by Domark include Tank Commander and Big Red Racing.

There will be approximately 130 employees, worldwide. Domark US currently employs 35 folk, with confirmed plans for 50 in-house within the next few months. Two in-house development teams have been assembled whose focus will be sim and action adventure titles. The sim team has added Mike Weksler from Computer Gaming World. He'll assist Bryan Walker, the former Army Apache pilot and Gulf War Vet, in producing Domark's next generation of flight sims. John Pririe, formerly of MicroProse Europe, has joined the U.K. office as Managing Director. Plus, internationally-known fantasy author Ian Livingston will be in charge of the company's publishing ops. Both U.K. and U.S. offices will have but one focus-- game development! Two new product lines have now been created, the Advanced Sim Series and Fighting Fantasy for the action/adventure games. We'll have more in a future issue about some of Domark's future titles! The company's distribution agreement with Spectrum HoloByte remains in-place.

MICROPROSE REVAMPS TITLES IN DEVELOPMENT

First of all, MicroProse Software is changing the name of two upcoming titles in their strategy line of products. First of all, what was known as Sid Meier's Civilization 2000 is now going to be named Sid Meier's Civilization(R) II. This game is going to be enhanced beyond its original development plans to include more technology, units and Wonders of the World. Plus, there will be an improved trade route system as well as an expanded diplomatic system. All new SVGA graphics will be incorporated into the title.

Master of Antares is now going to be called Master of Orion(TM)II: Battle at Antares(TM). There will be more technology to research and 13 alien races--Master of Orion had 10. You may customize your own race plus there's new SVGA art. Multiplayer features will now include LAN, modem, or "hot seat" play, plus more detailed tactical ship combat and colony development will now be included.

** DIGITAL DELIGHTS **

ENTERTAINING AT HOME

Creative Artists Agency (CAA) and Intel Corporation today announced that they will establish a multimedia lab in joint efforts to further the creation of new multimedia entertainment and information programming for home personal computers connected by high-speed communications. CAA and Intel will work together to encourage, identify, and accelerate the development of new entertainment media. The companies will create a multimedia lab at

CAA equipped with a range of state-of-the-art PCs, multimedia tools, and consumer applications where CAA clients and other content developers can gain exposure to PC capabilities. The companies will also assist early-stage media companies focusing on applications which take advantage of high-performance PCs and on-line networks. More than 1/3 of U.S. households have at least one PC.

PIONEER PLANS AHEAD

Diversification is the name of the success game in consumer electronics. To that end, Pioneer Electronic Company has decided to create products that'll bring 20 percent of their sales from digital video discs (DVD) and 30 percent for telecom and computer product sales. The other half of their profits will come from AV equipment, plus they'll start shipping digital satellite receivers in April for the European market. This summer, they'll be manufacturing DVDs, as well.

ROYAL SELECTS SIGMA

Royal Computer is producing some new MPC Level 3-compliant multimedia PCs. To ensure 30 fps full-motion, TV-quality video display and high-quality CD sound, Sigma Designs was selected to supply Royal with the MPEG accelerator card for pre-installation. Sigma will provide its REALmagic Maxima MPEG product that uses the new REAL Overlay technology for merging video and graphics on the PC at very high resolution, plus the card eliminates the need for a feature connector. The Royal system will be bundled with the Sigma card, five MPEG software titles and the Virtua Fighter 3D game from Sega.

MOTOROLA ALSO GETS SRS TECH

We seem to have been writing a lot this week about SRS Labs! Now, Motorola Inc.'s Semiconductor Sector's Digital Signal Processing Division has licensed the Sound Retrieval System 3D sound technology from the company as well. To refresh your memory, this technology delivers 3D sound from two speakers. The technology will be used in Motorola's DSP56000 devices.

** OTHER ENTERTAINING NEWS **

GLASS CEILING BREAKS AT ABC

Kathryn Christensen was named executive producer Thursday of ABC's ``World News Tonight," the nation's most-watched evening newscast. Congratulations! Christensen now breaks through that male-dominated broadcast glass ceiling-- she is only the second woman to head a major network's flagship newscast. Christensen, a senior producer since 1993, succeeds Rick Kaplan, who has been named executive producer of special projects for the ABC network. Christensen, took on added duties a year ago as executive producer of ``World News Saturday/Sunday," and she joined ABC News in 1990 as a senior producer after a decade at The Wall Street Journal. From 1991 to 1993 she was managing editor of the Baltimore Sun.

ARTISTA RECORDS BREAK RECORDS

Arista Black Music is on a winning streak as they lead their team to a record setting week with a total of seven singles in the top 15 on Billboard's R&B singles chart. Amazingly, five of those singles are in the top six positions.

Leading with MONICA at number one with "Before You Walk Out." "Exhale (Shoop, Shoop)" by Whitney Houston at number three which tied an all-time record with twelve weeks at number one on the chart matching Barry White's "Practice What You Preach" and Whitney's soundtrack has been number one on Billboard's R&B album chart for eight weeks and, for the second week in a row, number one on Billboard's top 200 albums chart. Faith Evans with her second single "Soon As I Get Home" came in at number four. Debuting at number five is Mary J. Blige with "Not Gon' Cry," and Brandy at number seven with "Sittin' Up In My Room," both from the Waiting to Exhale Original Soundtrack Album. Total is at number eleven with "No One Else" and TLC is at number Thirteen with "Diggin' On You."

AS CNBC AILES MICROSOFT MOVES IN ON WINDOWS OF OPPORTUNITY

Well folks, it seems as though a joint venture with CNBC, NBC's cable financial news network subsidiary, and Microsoft, have been the final straw for Roger Ailes. Ailes who has resigned after almost two-and-a half years as president of CNBC didn't want to stick around and witness the merger of these two resulting in the new network, MSNBC. Ailes, was the one who launched the all-talk America's Talking cable network in 1994, was succeeded as president by Bill Bolster, president and general manager of NBC's flagship WNBC-TV in New York.

ANGELS WITH DISNEY

We wonder if it all began when the Disney studios presented "Angels in the Out Field" that led to Walt Disney Co.'s purchase of the California Angels team in Anaheim, CA from cowboy actor/singer Gene Autry. Disney has received the go-ahead from Major League Baseball to buy 25% of the Angels' team with Disney having the option to purchase the remaining 75% of the team in the future. Disney is no stranger to sports, don't forget the Mighty Ducks NHL team in Anaheim that Disney already owns (hmmmm, see a trend here?).

The team's estimated worth from Financial World magazine is about \$88 million. Disney will become managing general partner of the team after March 18 when the deal becomes official . Financial terms were not disclosed. Additionally, the Justice Department approved earlier this week Disney's purchase of Capital Cities/ABC Inc. for \$19 billion and that deal is awaiting final word from the FCC.

GE LIGHTS UP WITH COMPANY'S EARNINGS

While General Electric's GEnie may not be at the top of the on-line heap, GE still enjoyed double-digit profit increases at NBC, GE Capital and GE Plastics. This helped push General Electric Co.'s net income up 11% in the fourth quarter, making for a record year.

Despite all the digs Dave Letterman poked at GE when employed by NBC, the network brought the overall earnings of GE up significantly. Witness the company's reported earnings from continuing operations of \$1.87 billion, or \$1.12 per share, in the quarter, compared with \$1.69 billion, or \$0.99 a share, in the same period a year ago. With sales in the fourth quarter growing to \$19.75 billion from \$17.79 billion. By year's end '95, GE earned a record \$6.57 billion, or \$3.90 a share, up from profits of \$5.92 billion, or \$3.46 a share, in 1994. Sales rose 16% to \$70.02 billion from \$60.11 billion.

A FIRST FOR FILM IN CHINA

Principal photography began this week in Beijing, China, on the 35-million-dollar live-action adventure "Warriors of Virtue" which tells the story of a troubled 12-year-old Los Angeles

boy, who when transported to a parallel universe, helps five super-heroes fight evil forces. Law Brothers Entertainment, IJL Creative Inc. and Patricia Ruben are producing the film for release in May 1997 by MGM/UA in the USA and Canada.

"Warriors of Virtue" is the most expensive and the first major international motion picture ever made and shot in China, with many of the locations never seen in a movie, to include an American and British cast, production stars Marley Shelton ("Nixon"), Mario Yedidia (Francis Ford Coppola's "Jack"), and Angus Macfadyen ("Braveheart"). Additionally, Law has assembled some of the world's finest technical talents for this movie including Special Effects artist Tony Gardner and his Alterian Studios ("Speed" and "Aliens").

SHUT UP!

Excuse me, I was always told that 'shut up' is not polite, but Mandalay Entertainment must see it differently. Mandalay has acquired the romantic drama "Shut Up and Dance" for director Randa Haines. Written by Daryl Matthews, "Shut Up and Dance" is a love story set in the sexy world of music and dance, where dancing is one man's ticket to a life and to love. Lauren C. Weissman and Shinye Egawa are the producers. Haines whose films "Children of a Lesser God," "The Doctor" and "Wrestling Ernest Hemingway" have garnered critical acclaim, with the former earning five Academy Award nominations.

NHL ON-LINE CHAT SESSIONS

Prior to the playing of the NHL All-Star Game in Boston tomorrow night, a hockey-specific on-line chat session will be conducted by members of the Celebrity All-Star Hockey Team over the Internet tonight and Saturday night. Member of this hockey team, founded in 1986, include such Hollywood stars as Richard Dean Anderson, John Bennett Perry, Michael J. Fox, Michael Keaton, Jim Martin and Alan Thicke. The team promotes hockey and raises money for charities in the U.S. The team has been competing against NHL Alumni teams and has already raised more than 4.6 million dollars for various causes.

As the hockey stars wander about Boston during NHL All-Star Weekend, they'll be sharing their thoughts and experiences over the Super Radio Network's Open House Party on Saturday night. 72 stations throughout the U.S. and Europe carry this syndicated network. MUSICAM USA will be using its FieldFone product for report transmission. For Beverly Hills 90201 fans, Jason Priestley (Beverly Hills 90210) and Matt Perry (Friends) will also be remotely broadcasting during this special weekend. On-line discussions will be carried at <http://www.nhl.com>.

SPIDEY ON THE WEB

It shouldn't be news to you, but Spider-Man(R) and the Marvel Universe Super Heroes have become a multi-media, multi-national, multi-phenomenon -- with best-selling toys, top rated television shows (even underwear, remember?) and interactive CD-ROMs here and abroad. The Marvel Action Figure group has shown a steady and long term growth that is expected to continue in 1996 according to Alan Fine, president of the 1,200 store Kay Bee Toys chain. And, beginning in the first quarter 1996, the characters from the Marvel Universe will star in their first, live-action made-for-TV movie before leaping onto the big screen in live-action feature films from an impressive array of major motion picture studios such as Fox, Columbia Pictures, Dreamworks SKG, New Line and MCA/Universal.

Toy Biz, Inc. announced today that its Marvel Universe action figures -- Spider-Man(R), X-MEN(R), Fantastic Four(TM), Iron Man(TM) and Ghost Rider(TM) -- continue to rank among

the best-selling action figure lines in the U.S. And, unlike the popularity of some action figure entries over the past five years that have been short lived. Sales of Marvel Universe figures have been strong and exceeding \$250-million in 1995.

International sales of the Marvel Universe action figures have only just begun, yet the figures based on world renowned Spider-Man and X-MEN have been literally flying off the shelves in England, Italy, Spain, Portugal, Germany and Singapore. This success has prompted greater interest in other Toy Biz action figures which will be cleared and sold internationally.

Additionally, the action figures Toy Biz have created an impressive series of high quality, interactive CD-ROMs that are IBM/MAC compatible titles sold through comic, software, toy and mass retail outlets. With the SRP of \$14.99, these titles have outsold other comparable multi-media CD-ROMs by 4 to 1.

VERITAS SIGNS TOP SINGER/SONGWRITER

Making her recording debut in March with Veritas Music Entertainment will be singer/songwriter Gretchen Peters. She is currently nominated for a Grammy for the Best Country Song for the song she wrote for Patty Loveless, You Don't Even Know Who I am. She received the Country Music Association Song of the Year Award for Independence Day by Martina McBride. She is also listed as one of the Top 10 country songwriters of 1995 by Pulse! magazine and she is nominated for a 1996 Nashville Music Outstanding Achievement Songwriter Award. Other artists who have had successful Peter's songs include Pam Tillis, George Strait, Trisha Yearwood and Randy Travis.

WHAT'S HOT IN KIDS' TOYS THIS YEAR

With the Toy Fair about to open in New York, a trend seems to be toward simpler toys for children and parents seem to be in a "reflective" mood, looking upon toys they played with as those with strong appeal. Strong sales are expected in dolls for young girls, such as Ertl's Coochy Coo, Toy Biz's Baby Tumbles Surprise(TM), and Playmates' Water Babies products. For boys, action figures have suffered sales drops save for figures based on comic book characters, such as X-Men and Spider-man. These figures also appeal to the collector market and a new intro, Sky Racers(TM) from CAP Toys, holds promise as it's something new--cars travel on suspended nylon cord track. Low-priced, interactive CD-ROMs for home computers will be big, with Toy Biz bringing out Marvel Interactive CD-ROM Comic and CD-ROM title based on Enchanted Tales from Sony Wonder.

SPELLBOUND TO DISTRIBUTE VIA UA

Spellbound Pictures International will have their 12 family films distributed by United Artists Theatre Circuit Inc. this year. These films will be ready for distribution over the next 18 months and will feature stars strong on U.S. and international appeal. The films will be created by Ellipse Programme, an independent production subsidiary of the French TV giant Canal Plus, Spellbound Productions Ltd. USA, and Isambard Productions Limited, a New Zealand independent film and TV company. Production will start on the first films in April, with exhibition set for the winter of 1997.

* ONLINE STUFF *

AOL REALLY REACHES --STICKS ITS NECK OUT

America Online says it has signed a deal with Pro CD Inc. to list 95 million white pages phone numbers from across the United States. No financial terms were discussed. Pro CD Inc., a privately held company based outside Boston, publishes CD-ROM electronic directories. The concept being that AOL offers "...the power of a 'national phone book' to virtually anyone with a computer" said Jim Bryant, Pro CD's president and CEO.

But first, Pro CD is appealing a federal court ruling in which a University of Wisconsin grad student made available its white pages listings on his World Wide Web site. A judge ruled that Pro CD's copyright does not extend to the telephone listings on its disc product, and added that the student didn't offer the software over the Internet. Federal judge Barbara Crabb said Pro CD wanted to create its own rules and was able to create its SelectPhone product because of a 1991 Supreme Court decision that said lists cannot be copyrighted. The irony being that if Pro CD gains the benefits of the copyright they then want to prevent others from receiving that same protection.

LAWSUIT ACCUSES COMPUSERVE OF PUMPING UP

An Online graphics marketing service, Evanston, IL, based FontBank Inc., which operates Jerry's World graphics marketing service on CompuServe has filed suit against the same. FontBank accuses CompuServe of exaggerating the number of its subscribers.

While CompuServe recently reported that it has 4 million members worldwide, making it the No. 2 Online service behind America Online, which claims 4.5 million members. FontBank disputes this total and said the Online service may have as few as 2.6 million members. The alleged lower customer base is a detriment, Jerry Saperstein, owner of FontBank, said his company invested substantially in its Online marketing service and he may be reaching fewer potential customers than he expected. CompuServe countered saying it stands by its membership numbers, adding the lawsuit was only the latest development in a long-standing dispute with FontBank.

FIVE MILLION ON-LINE ACCOUNTS STARTED

In 1995, nearly five million households opened on-line service accounts, according to Information & Interactive Services Report. That meant, by year's end, there were just over 11,300,000 customers enjoy on-line activities. That's about a 79 percent increase over those with accounts at the close of 1994. The six largest national and global Online services now account for nearly 97 percent of the total customer base.

The three largest operators service just over 10 million users. American Online has approximately 4,500,00 customers and their growth continues at a pace of about 18 percent. By the end of next month, AOL should be carrying some 5 million subscribers. One of the largest jumps was by the Microsoft Network, now reaching some 600,000 users--- that's a 200 percent growth for that service since its debut. CompuServe's growth came from strong European interest in the service, where their base achieved 25 percent growth. Prodigy rambles along with some 1-1/2 million subscribers, and GENie remains flat with 70,000 users. Other subscriber figures show eWorld with around 126,000 users and Delphi with a 125,000 user base. This quarterly information was compiled from electronic services, on-line operators, 'zines, electronic banking services and the leading Net providers from October 1 to December 31, 1995.

ORACLE DEVELOPS INTERNET COMPUTER

Oracle for several months has promoted the concept of a device that costs less money than

a personal computer in hopes it will spur broader usage of data networks, for which it (oh, what a coincidence!) creates software. Oracle Corp. is showing off a design prototype of a low-cost computer between \$300 and \$350, (allowing a retail price of under \$500) that provides Internet access with the first models available by this fall.

Oracle chairman Lawrence Ellison planned to show the prototype at a customer meeting in Tokyo. According to a sketch the company faxed to reporters, the device is shaped like a three-dimensional inverted "T." Button controls are mounted on top of the base portion of the device. It is designed to work with a television set but could also work with a PC monitor. The machine would include a microprocessor from Advanced RISC Machines Ltd., 8MB of RAM, a keyboard, mouse, and modem or network connection device.

ON-LINE SAFARI

Project Candide is going to enable Web'ers to go on safari to East Africa, thanks to Utopia Inc. This company is going to be the primary sponsor and also offer technical backing to a three-week, five-person exploration that'll be using laptops, digital cameras and satellite telephones to post daily info to the net. The Web site is <http://candide.utopia.com/>. The itinerary includes Mount Kilimanjaro, Serengeti National Game Park, the island of Zanzibar, and the Ngorongoro Volcanic Crater. Narrated slide shows and Q&As will be posted. All transmissions will be done in real-time with images captured by digital camera sent via satellite to Utopia's offices in Waltham, MA.

3D SOUND COMPANY WITH WEB SITE

You can now download samples of SRS Lab's 3D sound from that company's new presence on America Online. The forum will also contain news and info about the company and its licensees as well as message boards and demos. Currently, SRS is the only 3D sound provider with a forum on AOL.

EASY LOGON ACCESS KIT

A new video and Internet access kit has been designed by Unlocked, Inc., and Netcom On-Line Communication Services, Inc. This new kit, called Internet Diner, will introduce the Internet to new customers and will be available this month and is priced at \$39.95. The 38-minute video presents a hands-on intro in a user-friendly, conversational manner and shows you how to Net-surf. Included is Netcom's NetCruiser(TM) all-in-one Internet access software product.