

-

MG: Mudgeon's Distillations

by Mudgeon

Editor's Warning: The following information contains not only information about Macintosh industry news and information, but also information about MS-DOS, 3DO, Genesis, etc. Readers who get squeamish when reading about other non-Mac platforms should skip this section.

- Recovering from a loss of \$76 million last year, Dell has announced record sales of \$791.6 million for its most recent quarter! This includes a \$6.2 million charge for securities sales. Seems as though recent sales announcements by Compaq and now Dell could leave Big Blue reeling as Intel-based CPU leadership sales change hands.
- Big news from 3DO! The company has now selected Apple's PowerPC for their up and coming videogame consoles and system upgrades. According to several sources, this company is making a fine recovery from earlier losses, with over 1/2 million machines expected to have been sold by the end of 1994. Look for a new 3DO unit with a SRP of under \$500 quite soon.

As an aside, you should note that 3DO stock is starting to climb once again, just over 26 percent in the last few days to around 19-1/2. The stock rise is credited to rumored new product announcements that involve a new technology which is expected to surface within the next few weeks.

- The merger has finally been completed between Aldus and Adobe. The new company is now the fourth largest such entity with over \$500 million involved in the stock swap. Watch for them to make inroads into networked publishing systems.
- If you live in Santa Cruz, California you will soon have the opportunity to order pizza via the PizzaNet. This is a pilot program that will link Internet users directly to their nearest Pizza Hut outlet.
- The first 256-megabit chip has now allegedly been developed by Samsung. This company happens to be the world's largest memory chip manufacturer and they plan to start selling this silicon by early 1997. Seems as though Samsung has beaten some pretty stiff competition to the punch in developing this chip, including folks like NEC, Texas Instruments, IBM, Siemens and Toshiba.

- Candy is really “big” with video and computer gamers. Accolade has decided to ensure gamer comfort, especially in regards to their new 3-D fighting video game, Ballz. Two promotions offer rebates toward the purchase of this game, which is in format for Sega Genesis and Super Nintendo Entertainment System (SNES). The first promo is with Pillsbury in Canada with a \$5.00 rebate advertised on 1/2 million Pillsbury Pepperoni and Deluxe 5-inch pizza boxes. This promo will run from October through December of this year. The second promo is with Betty Crocker, who will also offer a \$5.00 rebate on 5 million packages of their chewy fruit snack “Gushers.” This offer will also run through December of this year. Now you can have your sweets and game together.

- Overseas distribution is an important factor in the success of any entertainment company selling their product internationally. Now EA Victor of Japan has signed a two year agreement to distribute all Interplay Macintosh and PC titles in Japan. Additionally, EA Victor will distribute Interplay’s first four 3DO titles, including BattleChess which ships this month. The company will assist Interplay in merchandising and localizing product for the Japanese market.

- The highly acclaimed “personal planetarium” from Maris Multimedia Limited now has yet another honor attached to it. The program may now be viewed in a new setting: the Innoventions pavilion at Epcot ‘94 at Walt Disney World Resort in Lake Buena Vista, Florida. An exhibition of emerging computer and electronics technologies, Innoventions, opened its doors on July 1st of this year and is already attracting thousands of visitors each day. The pavilion was created in conjunction with a number of leading companies, such as Apple, IBM, Sega, General Electric and General Motors. This 100,000 square foot showcase is billed as a “permanent trade show for the general public.” Apple has created a 2,000 square foot exhibit that is a self-contained building within a building. The Apple exhibit showcases some of the best and most innovative software programs, including RedShift Multimedia Astronomy, which is now available for Macintosh computers and Newton MessagePads.

- To make a success of a new offering to be released by Maxis (Gift Maker, by name), this leading game publisher has announced a unique business relationship with two partners to create a software selling and fulfillment system. This system, for the first time, will turn the computer into a merchandise manufacturer. The application itself, slated for a fall 1994 release, is the first and only software that allows users to easily design personalized gifts and merchandise and order them direct by mail or modem. The system required the combined efforts and talents of not only Maxis, but also Austin-James (a software design firm) and Artistic Greetings (the country’s market leader in direct-order personalized gifts). The latter company will fulfill customers’ orders.

- The Sega Saturn 32-bit machine, scheduled for sale in the spring of next year, has attracted a great deal of interest from third-party developers and publishers. Now it appears as though megahit Myst is being developed for the Saturn by Sun Electronics of Japan. Why Sun? Easy—over three years ago, they invested in Mysts’ development company, Cyan. Additional licenses will be sold to Matsushita, Sony and Pioneer so versions of this game can be created for their video game systems.

- An exclusive agreement has been signed between Sanctuary Woods Multimedia and US Gold Ltd. The latter will become the republisher and distributor of the former’s titles in the United Kingdom, France, Switzerland, Germany, and Austria. With the concentration on accurate localization of product, US Gold will also ensure the titles are tuned for overseas markets. This agreement also encompasses Wolf, the greatly anticipated title from Sanctuary Woods due soon.

- Formerly exclusive on 3DO, Sega CD and PC platforms, American Laser Games has announced they're going to be releasing (please turn to page six) two titles for Mac gamers. The first is Mad Dog McCree, which is an Old West adventure and the second is Crime Patrol, a modern day crime-fighting adventure. Look for them to be at your retailer in January of '95.

- Commanders are extremely important to the success of any company. Within the field of electronic entertainment publishing, their skill sets are, indeed, critical. MicroLeague Interactive Software has now had such occur with the changing of the executive guard. The company's new president is John Brazier. His most recent work was with DTMC, Inc., and Epyx. We wish John much success!

- Thanks to Image Entertainment, it won't be too long before you're able to purchase full-length movies digitized onto CD-ROM. When you consider that the expected cost of each title on CD-ROM is going to be between \$10 and \$20, these compressed entertainments should be quite a hit at home.

- 3DO, seemingly, if you listen to the PR verbiage being issued from Redwood City, is becoming quite healthy, despite a loss of \$61.1 million for 1Q that ended on the last day of June this year. Not only does the company state they've sold in excess of 200K units, but there are now a total of 716 registered developers creating code for the technology. Additionally, 3DO expects to reach their 100 title goal, set for the end of this year. What is unique is that sales ratio reports indicate an average of eight titles selling for each machine sold! That is a far better average than for other video game platforms. Although the price point is still higher than video game machines, expect a drop to an SRP of around \$399 in October. As we have no "official" word yet as to the pricing of the new Nintendo and Sega machines, for the advanced capabilities of the 3DO, the price point might work! Certainly bleak forecasts for this company have been somewhat premature, even on our side of the fence.

- They've finally completed their investment. That's correct, Acclaim Entertainment now has a minority equity interest in Digital Pictures. The latter has several pending patents, including one for Digichrome® for rapid compression of digitized and color optimized interactive video. A second patent is for InstaSwitch™, which is a process whereby on-screen action responds to gamers' commands with greatly reduced access time. Digital Pictures products will also be distributed by Acclaim Distribution, Inc. (ADI). Expect about 12 Digital Picture products for a variety of platforms (including Macintosh, 3DO and Sega CD, this year.

- Acclaim's motion capture technology is being used by Warner Brothers Studios to create the special effects for Batman Forever, the summer 1995 film starring Val Kilmer, Tommy Lee Jones, Jim Carey, Nicole Kidman and Chris O'Donnell. This is the first of several film projects for which Warner Bros. intends to use Acclaim's technology, which marks the first time an interactive entertainment company has become a source for movie industry special effects. This proprietary technology is under development by the Advanced Technologies Group, based at Acclaim's Glen Cove, New York, location.

- Great news for Mac gamers! Advanced Gravis has reduced the price on their popular action controller, the Mac Game Pad. Originally released in April of 1993, this unit offers fast response and tactile feedback, plus compatibility with all keyboard-controlled action games. The new price is \$34.95, down from \$49.95. Way to go—but that's not all, my friends. The company has also lowered the price on their MouseStick II, a fully programmable joystick for Mac action games and sims. Each of the unit's five fire buttons can be set to emulate mouse clicks or keystrokes. The new price is \$69.95, down from \$99.95. Outstanding consumer relief!

- Without doubt, the king of the silicon is Intel, despite lower-than-expected sales of their Pentium chip. The last thing in the world Intel needs or desires is direct competition for that chip. Well, the world of silicon is never one of calm waters. Now Advanced Micro Devices is rumored to be hard at work creating a K5 chip which is expected to go head-to-head against the Pentium, and at lower cost. They've already developed a 486-clone running at 80MHz and will probably release a 100MHz version sometime late in 1994. With PowerPC already making inroads into Intel's silicon sanctuary, the threat to Intel's power base continues to make itself known.

- With an estimated 1.65 million games remaining in inventory of Street Fighter, Capcom has reduced their earnings expectations. Now the company is stating their earnings'll be somewhere around the \$8 million mark on sales of just over \$630 million. You can bet your bottom dollar, pound, franc, yen, whatever, to see numerous beefed up promos from the company pushing this title to consumers.

- A new report from Dataquest seems to indicate that the rush to interactive technology may be a bit off the mark. The analysts of this experienced research company have found out that face-to-face shopping is what consumers really enjoy, not the impersonal and solitary environment found in ITV. However, you shouldn't fret about this for some time to come, as the technology is far from being available to equip your home with two-way communication capabilities.

- Electronic Entertainment Expo (E3) has announced several new commitments to their trade exhibition, set for May 11th through 13th, 1995, in Los Angeles. New exhibitors include Viacom, Disney, Fox Interactive, Sony Computer Entertainment and Virgin Games. There are now 45 key exhibitors and over 50 percent of the country's top 100 retailers committed to this show.

- Freeman Associates has just released a report entitled Optical Data Storage Outlook 1994. The conclusion to be reached is that the surge in CD-ROM, WORM and multifunctional drives continues, having generated more than \$1.7 billion in revenues in 1993. Dramatic slowing of growth is seen over the next five or so years, while rewritable sales will increase more and more. The reason for the latter is that more and more developers will adopt digital mass storage media as their solution. For the full report, please contact the company directly at 805-963-3853.

- The 3DO saga continues, my friends. As we are all aware, their initial pricing for their multimedia machine was extremely high, especially in comparison to other video game machines already on the market and thriving. Just to get the consumers' attention, a price reduction of considerable proportions was necessary. Now, Matsushita has determined that the price of the Panasonic 3DO Multiplayer must be reduced by 20 percent. That means, the 3DO machine should be available for just under \$400 at suggested retail pricing. And that's good news for consumers, although even at that price level, other video units remain lower in cost. This does place the 3DO unit pricing in a better light.

- Creative software for kids has long been the intention of many companies. Some have fulfilled their promise of bringing great interactive, learning, and fun software for the younger set to market, such as Brøderbund, Maxis, MECC, and others. Now, Microsoft will market such titles with Children's Television Workshop. Their first product will be The Case of the Blue Makva. Shipping later this year, this title requires Creative Writer. There will be both Macintosh and Windows version.

- New licensing agreements for RAD Software with Compton's New Media, Software Sorcery,

and Krisalis Software have been concluded. Each company has licensed the playback source code for Smacker Video Technology and will use the code to produce games and animations that play faster, and require less disk space, than has previously been possible. Smacker is a compressor for video and animation data and compress most files one-quarter to one-half of their original size. Smacker compressed files can be played back "as-is" at up to 30 fps (frames-per-second), or faster, without hardware assistance or a separate decompressions step. The environment includes SmackScript, a scripting language that allows users to create interactive animations. There are over 150 commands that support keyboards, mice, file I/O, animations, bitmaps, numeric and string variables, branching, conditions, and more.

- America Online continues to swagger with sign-on numbers most impressive. In fact, it was ripe for acquisition. One such company interested in AOL was none other than Tele-Communications, Inc. who was in the ballpark with a rumored decision to purchase about nine percent of the company. Now there is rumored to be a delayed decision. The reason? None other than Bill Gates and his up and coming Marvel, Microsoft's invisible and extremely hush entry into the online arena. The giant cable company may plan to spend their cash with Gates rather than Cates.

- Good news for Origin's Wing Commander gamers—Wing Commander® III is almost ready for launch. Look for it this fall. There are more than two hours of live-action that features an ensemble Hollywood cast. Mark Hamill of "Star Wars," Malcolm McDowell of "A Clockwork Orange" and John Rhys-Davies of "Raiders of the Lost Ark" will interact with you in this feature title. You'll be able to guide the morale of the people around you by affecting conversations positively or negatively. Plus, you'll experience a meddling of film techniques and computer technology. The live action takes place before "virtual sets" and backgrounds rendered with Silicon Graphics® workstations and state-of-the-art 3D software. This title'll ship on two CDs featuring new, proprietary Origin polygonal technology. A 3DO™ version is also in the works.

- Yet another has decided to initiate operations as a specialist in the desktop video market. Called Play Incorporated, the Sacramento-based venture is headed by Mike Moore from Progressive Technology, Paul Montgomery of NewTek, and John Boitteri of Digital Creations. The company, besides being totally owned by its employees, also has another great feature going for it—it's totally debt free!

- Byron Preiss Multimedia Company is going to be developing some new discs for The Sci-Fi Channel (the latter's name turns science-fiction fans' stomachs, I can tell you. That's akin to calling San Francisco "Frisco!"). These discs will feature science-fiction video games, and the cable channel will promote these products via their service.

- Some companies may believe there are too many amusement parks as it is! However, the U.S.A. seems to be one country that can sustain any number of such entertainment, high fun centers. Now, Sega Enterprises is planning to operate over 50 high-tech theme parks in the U.S. by no later than the turn of the century. They already have a couple of them in Japan, where they are designated mini theme parks. These centers of electronic enjoyment fit inside a good sized warehouse and include a variety of good ol' video games, interactive and virtual reality rides. Look for their first such offering to open in Southern California with assistance from MCA.

- Sir-Tech Software has signed a distribution and licensing agreement with Delphine Software International of Paris, France. This agreement calls for the latter company to distribute the US version of Sir-Tech's Wizardry™ role-playing sims Bane of the Cosmic Forge and Crusaders of the Dark Savant. Also, Delphine's localization efforts will bring translated versions of new Sir-Tech titles to France, Belgium and Switzerland. The first title to be

introduced into the French market by Delphine will be Jagged Alliance. No release date has yet been announced for their new FRPG game title.

- The Software Publishers Association (SPA) is reporting that sales of CD disc software for the 4Q will range at nearly \$136 million, up from just over \$29 million for the preceding year. Nearly 4-1/2 million sales were recorded. Of this number, 48 percent were bundles for a total of 17 percent of all related revenue. This data was compiled from 73 companies that the SPA surveyed.
- A super acquaintance of ours, Kevin Horn, has just been named the new Communications Manager at Sony Imagesoft. Kevin was formerly with the public relations department at Interplay and was previously an associate publisher at Quill Publishing. We wish Kevin well in his new and strategic position for Sony Imagesoft.
- Uh-oh, Taiwan Semiconductor Manufacturing is not on Nintendo's list of pen pals anymore. The former is, by far, the largest silicon producer in Taiwan and Nintendo is claiming that company has sold chips for illegal game machines. A suit has been filed against the chip maker by the game maker.
- A new licensing deal for TSR, Inc., of Dungeons & Dragons® and Advanced Dungeons & Dragons® fame, has been signed with Interplay Productions. The agreement gives Interplay the exclusive license to produce all electronic entertainment games for TSR's Forgotten Realms® and Planescape® product lines. The games will run the gamut from computer, home video, coin-ops and interactive online games. Look for the first products resultant from this license agreement to be available in late 1995.