

# Nimbus Seeks Support For Video CD

## Firm Needs Films For Full-Motion Discs

■ BY SETH GOLDSTEIN

NEW YORK—Media entrepreneurs come and go, Hollywood's here to stay. That's the reality facing a company like Nimbus Technology and Engineering, which needs the movies to make a go of its 5-inch, full-motion video compact discs (Billboard, Feb. 20).

Nimbus describes the product as an amalgam of available technolo-

gies, capable of delivering picture quality better than VHS. More important, its CDs can be played on any machines equipped with digital output—worldwide, 35 million-40 million of the 100 million units in place, Nimbus calculates. The players would require a decoder estimated to cost \$200 to \$300, but eventually a chip could be built in at a fraction of this cost. Studios are expected to pay the \$100 a minute program encoding

costs, which Nimbus considers minimal when compared with existing potential demand. And, best of all, it claims its approach allows the movie makers to take advantage of ready-to-go FMV, priced at \$10-\$20 for one or two-disc sets while other, perhaps better, systems gestate.

Earlier this month, Nimbus set up shop at the Sheraton Universal in Los Angeles, demonstrating FMV for the first time to the studio's U.S. home video executives. European staffers got a glimpse at the earlier MIDEM convention in Cannes, and helped set up the home office meetings, says communications manager Philip Moss. By March 17, Moss reports, Nimbus had received "a high level of interest" from Disney and Warner and awaited visits from Columbia TriStar, MCA/Universal, Paramount, and FoxVideo.

It is only the first step in what promises to be a lengthy process of show-and-tell. "We didn't come here to walk away with letters of intent," Moss acknowledges. "We're perfectly happy to know they're interested." Nimbus expects to make a return visit in June, this time armed with a wider range of samples of full-motion video than are available thus far.

Hollywood visitors were treated to FMVs of Bon Jovi and Pink Floyd selections, but not the trailer for "Howard's End," which had been shown at Nimbus' previous stop, the 23rd ITA (Continued on page 89)



**Jan's Plans.** Virgin Records recording artist Janet Jackson, center, discusses plans for her upcoming album with Ken Berry, chairman/CEO of Virgin Music Group Worldwide, and Nancy Berry, executive VP of Virgin Music Group Worldwide. Jackson's Virgin debut is scheduled for release in May.

## Rhino Vid Splits With Uni, Forms 3-Year A\*Vision Pact

■ BY DON JEFFREY

NEW YORK—Rhino Home Video has ended its distribution deal with Uni and signed on for three years with A\*Vision Entertainment, the home video subsidiary of the Atlantic Recording Group, which also distributes Rhino Records.

Rhino's 300-title home video library, which now includes foreign films as well as musical performances, children's product, and special-interest video, will be handled by A\*Vision as of March 29.

Arny Schorr, VP/GM of Rhino Home Video, says, "One of the

problems we had as a company was that we did not have all our sales under one roof. Audio and video were split."

John Burns, president of Uni Distribution Corp., characterizes the parting with Rhino as amicable. Burns says, "They had all their other stuff with Atlantic and so they asked to be let out of their deal." The Rhino/Uni pact expires Friday (26).

Rhino is the second video imprint Uni has lost this year: Mystic Fire ended its deal with Pacific Arts, a Uni-distributed label, in February.

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## Time Warner Calls On Telephone Firm

NEW YORK—Still searching for strategic partners to help pay down its huge debt, Time Warner Inc. is reportedly calling on the telephone company.

Although both corporations are saying "no comment," New York-based Time Warner and Englewood, Colo.-based U S West Inc. are reported to be talking about a possible partnership. U S West is the telephone company that provides service to customers in 14 Western and Midwestern states.

The most likely combination for the two would be cable television. Time Warner, the second-largest cable operator in the U.S. and a leading cable programmer with its Home Box Office subsidiary, has announced it is installing a fiber-optic "electronic superhighway" near Orlando, Fla., that will bring video on demand and a variety of other interactive services into the home. (Billboard, Feb. 6). The telephone companies are competing with the cable operators over the right to provide these new interactive services to consumers.

There are precedents for a combination between Time Warner and U S West, or any of the other six Baby Bells in the U.S. U S West is involved in what it terms a "cooperative effort" with the nation's biggest cable operator, Tele-Communications Inc., and with telecommunications giant American Telephone & Telegraph Co., in a 500-channel test of video on demand in the Denver area. And U S West and Time Warner are already partners in Europe, providing cable services in Hungary and Sweden.

Steve Lang, spokesperson for U S West, says his company had a total of

nearly 1 million cable subscribers worldwide in January.

The Time Warner/U S West speculation, which arose in a Wall Street Journal article, has revived talk on Wall Street about the entertainment company's frustrating efforts to find strategic partners. In 1991, Time Warner signed up the Japanese companies Itochu Corp. and Toshiba

Corp., which invested a total of \$1 billion to acquire 12.5% of Time Warner Entertainment, a subsidiary that contains the cable operations, HBO, and the Warner Bros. film and television units. (The Warner Music Group is not included in the partnership.) Time Warner said it was looking for other partners, possibly in Europe, but (Continued on page 84)

## Billboard Earns Honor In Business Press Competition

NEW YORK—Billboard has been awarded a certificate of merit by the American Business Press in its annual Jesse H. Neal competition, which recognizes outstanding editorial achievements in business journalism.

Billboard was honored for three articles that appeared as part of its ongoing cover feature, "The Billboard Report." The three winning articles were "Cui Jian's Rock Resonates In Hearts Of China's Youth" by former Hong Kong correspondent Hans Ebert in the May 2, 1992, issue; "Country Music Is Striking [A] Chord With Gay Community" by dance music editor Larry Flick and former assistant country music editor Debbie Holley (July 25, 1992); and "African-Americans Striving To Break Classical Barriers" by correspondent Terry Barnes (Oct. 24, 1992). In addition to the authors of the three pieces, the certificate



named Ken Terry, then Billboard's senior news editor.

"It's a great honor for Billboard and its editorial staffers to receive this highly prestigious award," says Billboard editor in chief Timothy White. "When the ongoing Billboard Report series was created in 1991, it was intended to provide our writers with a special forum for their finest feature reporting. Since that time, we've published dozens of Billboard Reports, many of which have been admired, quoted, and commented upon elsewhere in the domestic and international press, as well as having a considerable impact on the issues and fields that they directly addressed. It's thrilling to know that the Neal Awards judges thought as much of Billboard's uncommonly hardworking editorial talent as Billboard does."

## Subscriber, Ad Revenues Augment BET Sales, Profits

NEW YORK—Double-digit gains in advertising and subscriber revenues for the Black Entertainment Network cable channel have resulted in significant increases in quarterly sales and profits for BET Holdings Inc.

The good numbers also have boosted the Washington, D.C.-based company's shares to a 52-week high of \$18.50 on the New York Stock Exchange, indicating the volatility of the stock after it went public in November 1991 has subsided.

BET is a cable programmer that targets a mostly young and black audience. According to its annual report for fiscal 1992, 64% of the programming is music video. The next highest category, at 27%, is other entertainment.

For the second fiscal quarter, which ended Jan. 31, BET reports net profit rose 14.2% to \$3.3 million from \$2.9 million the year before. Revenues jumped 20.2% to \$18 million from \$15 million.

The company's advertising revenues rose 19.8% in the quarter to \$10.2 million. They come from national advertising spots, direct response advertising (800 and 900 numbers), and infomercials.

Alan Nichols, executive VP/CFO, says, "We've had national spot strength throughout the recession. More and more companies are targeting the black consumer market and we're the most efficient way of targeting that market."

Subscriber revenues increased 21% to \$7.7 million. According to Nielsen figures, BET has 35 million subscribers.

"Subscription growth is about 600,000. That's a good rate for them," says Ken Goldman, securities analyst with Bear, Stearns & Co. "Things appear to be improving for them across all fronts."

BET also publishes two magazines aimed at black consumers, YSB and Emerge. Although revenues are up, both are startups that continue to book losses.

The company's operating cash flow (earnings before interest and tax payments and noncash amortization and depreciation charges) rose 30.2% to

\$13.8 million from \$10.6 million. Nichols says longterm debt is \$14 million and shareholders' equity is about \$70 million.

Although BET is not a cable operator, it counts as investors the two biggest U.S. operators: Tele-Communications Inc. owns 18% of BET and Time Warner Inc. owns 16%.

BET went public at \$17 a share. The stock quickly shot up to a high of \$26 on investors' enthusiasm for cable companies. But concerns about management and disappointing earnings caused the shares to plummet to a low of \$12 before beginning their climb back up to the current 12-month high.

For the six months that ended Jan. 31, net profit rose 19.5% to \$6.2 million while revenues rose 25.2% to \$35.3 million.

DON JEFFREY

## RIAA Domestic Anti-Piracy Plan Is Paying Off

■ BY BILL HOLLAND

WASHINGTON, D.C.—The domestic anti-piracy efforts of the Recording Industry Assn. of America are making a greater impact on manufacturers of bogus product, especially in the Northeast. Year-end statistics show 100% gains over last year's hallmark year in raids, confiscations, and seizures.

Largely due to greater communication between local retailers and law-enforcement officials who are now more familiar with RIAA programs, the days when pirates profited with little hassle from law enforcement are drawing to a close, say RIAA officials. More and more, seizures, big fines, and jail terms are realities.

Total seizures of counterfeit/pirate cassettes in 1992 leaped from 1,401,163 to 2,548,030 pieces—and that does not include 32 million confiscated labels and 165,000 cassettes (Continued on page 40)