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Katrina and the Waves conquer Eurovision: story page 8

Capital/Virgin deal creates 'new force' in U.K. radio

by Mike McGeever

LONDON — "A new force in British commercial radio" has been created with the acquisition of U.K. national broadcaster Virgin Radio by rival London-based broadcasting giant Capital Radio.

Those were the words used by Virgin owner and founder Richard Branson as the U.K.'s broadcasting industry considered the implications of the £64.7 million (\$106 million) deal, announced on May 6.

The deal—hailed as the biggest of its kind in the U.K.—brings national AOR outlet Virgin AM and London broadcaster Virgin 105.8 FM (also AOR) into Capital's stable, making it the largest commercial radio group in the U.K.

Richard Branson

Spearheaded by Capital managing director Richard Eyre, the acquisition was driven by the group's ambition of developing Digital Audio Broadcasting

CAPITAL RADIO

(DAB) in the independent sector and to go head-to-head against the BBC's flagship pop network BBC Radio 1 FM.



Virgin will have a 14 percent share in Capital, the largest single stake in the expanded group with Branson joining the Capital board as a non-executive director. Capital has the U.K. rights to the Virgin Radio brand name for 25 years as part of the deal. Under the terms of the deal, Capital will also take on the four year-old

Richard Eyre



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Sony Music sales on rise

by Emmanuel LeGrand

TOKYO — Sony Music Entertainment posted a substantial growth in sales during the 1996/1997 fiscal year, despite tough market conditions in the U.S.A. and poor sales in the company's home country, Japan.

SME's sales increased by 14 percent to a total of 584.9 billion yen (\$4.7 billion) during the 1996/1997 fiscal year ending March 31. Altogether, Sony Corporation's entertainment division, which comprises the Music Group and the Pictures Group, posted sales of \$8.4 billion, up 24 percent compared to the previous year, and profits up 20.8 percent to \$534.5 million.

In a statement, the company says operating income increased in the entertainment division, thanks to "strong results [from the Music Group] outside Japan." The company also points out that "sales in the Music Group continued to rise despite the weak retail environment in the U.S.A."

Sony Music's sales were fuelled by the success of acts such as Celine Dion, whose album *Falling Into You* has sold over 21 million units worldwide since its release in March 1996. On-going success by Fugees, Mariah Carey and Oasis, as well as new releases from Jamiroquai, Pearl Jam, Julio Iglesias, Rage Against The Machine, Nas, Babyface and Gloria Estefan, "all led fiscal year sales."

In Japan, Sony Music remains the leading record company but during the fiscal year, sales fell 10 percent to \$832.6 million and net income was down 40.6 percent, to \$55.1 million. "In popular music, there were fewer big-selling products [in Japan] than in the previous year," the company said.

Blood eclipsed by HIStory?

LONDON — With the release of his *Blood On The Dance Floor: HIStory In The Mix* album on May 14, the self-styled "King of Pop," Michael Jackson, will test the loyalty of his European subjects and the marketing wisdom of his Sony Music courtiers.

The fact that this "king" will move among his people is being welcomed by those who must sell *HIStory In The Mix* to them, Europe's music retailers. Jackson's 16-nation European tour kicks off in Germany on May 31, and five dates are already sellouts.

"He's one of those people who can disappear from view, have all this negative press, and still come back," says Rod McLennan, senior product manager at Virgin Our Price, the major U.K. retailer. He expects *HIStory In The Mix* to be the chain's top-selling album in its first week of release.

The original 1995 *HIStory Past, Pre-*



sent And Future: Book 1 sold 1.6 million copies in the U.K., according to Catherine Davis, Epic Records marketing director there. Europe-wide, the two-CD set has been IFPI-certified for sales of 6 million copies. In the U.S., it has sold just over 2 million copies to consumers,

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NUMBER ONE

European Radio Top 50
MICHAEL JACKSON
Blood On The Dance Floor
(Epic)

Eurochart Hot 100 Singles
R. KELLY
I Believe I Can Fly
(Jive)

European Top 100 Albums
DEPECHE MODE
Ultra
(Mute)

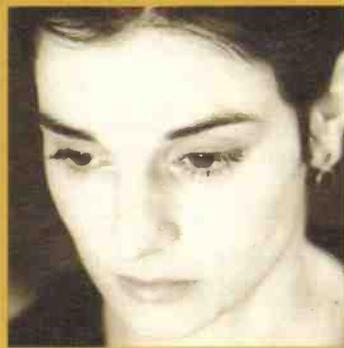


Sinéad O'Connor The Gospel Oak EP

6 New Songs

1. THIS IS To mother You
2. I Am Enough For myself
3. Petit Poulet
4. 4 my Love
5. THIS IS a Rebel Song
6. He moved through the fair* dived

Produced by John Reynolds except *Produced by Donal Lunny
Released 26 MAY 1997



EMI