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COLECO SIGNS
DRAGON'S LAIR
LICENSE AGREEMENT WITH STARCOM

Coleco Industries, Inc., and StarCom, Inc., have announced the signing of a licensing agreement wherein StarCom has granted Coleco the exclusive, worldwide rights to manufacture home video game and home computer software representing Dragon's Lair - the first fully animated video arcade game.

The announcement was made by Arnold C. Greenberg, President and Chief Executive Officer of Coleco (West Hartford, Connecticut) and Douglas Feist, General Counsel for StarCom (San Diego, California).

Recognized by the industry as a breakthrough in video game design, Dragon's Lair is the first video arcade game to combine advanced computer technology developed by Advanced Microcomputer Systems with full animation designed by Don Bluth Studios. Utilizing a high resolution laser disc, Dragon's Lair provides a revolutionary new form of entertainment - the "participatory movie."

The plot of the three-dimensional Dragon's Lair presents Dirk the Daring as a sometimes-clumsy knight who embarks on a quest to save the Princess Daphne from an evil dragon. His course takes him through a huge castle, replete with wicked foes and magical threats.

The scenario is actually controlled by the player, whose skill in directing Dirk's actions determines the sequence, length and outcome of the "movie" game.

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The Dragon's Lair video arcade game is manufactured by Cinematronics of El Cajon, California, which began shipments of the coin-op machine to arcades nationally in July, 1983. Within two weeks of its placement, DRAGON'S LAIR became the number one arcade game*, and has grossed in excess of \$14 million to date.

In 1984, Coleco will market the only official Dragon's Lair electronic product for home use. The product is expected to have significant impact on the home electronics/entertainment industry and, for reasons of confidentiality, the Company is not releasing format specifications at this time.

However, in commenting on the agreement, Coleco's Greenberg stated, "Our affiliation with StarCom and our licensing program with them is significant as an indication of Coleco's extension into the newest and most exciting areas of advanced technology."

Coleco became a major manufacturer of home video game software in 1982, when it shipped over eight million cartridges for the three major video game systems (ColecoVision, Atari 2600 VCS, and Mattel's Intellivision). The Company's success in this area is attributed to an aggressive licensing program, excellent quality of execution and high impact advertising.

Recently, Coleco entered the home computer market with ADAM - the ColecoVision Family Computer System. With its unique combination of high capacity hardware and software, ease of operation and affordable price, indications are that ADAM will revolutionize the home computer industry.

*Games People Magazine, August 21, 1983