Gentlemen, first let me bring you up-to-date on our performance through March, 1973.

**SHOW SLIDE #1.** The black line running diagonally across the chart shows the budgeted order input taken cumulatively each month. Total orders in process and fully accepted at the end of March reached $109.5 million, up from February's $70.2 million. This is right on target in terms of quota year-to-date.

The dotted bar graph, upper left, shows our month by month total forecast for 1973. It's really a trend chart, showing our year-end forecast each month as we progress. At this point, we're forecasting $628 million, still short of quota but showing some improvement each month.

**SHOW SLIDE #2.** The order forecast for the three major operations and for Research and Advanced Technology shows a slight improvement over February, but Computer Systems is still our major order problem. The
Peripheral Products group is now forecasting $97.6 million, slightly higher than 1973 budget. This has been steadily improving, and for the first time our forecast for the year exceeds quota. I think we can continue to expect improvement in this segment of our business, and I believe we'll be a little over $100 million by year's end. The Services Group forecast continues over quota, and it, too, is probably conservative. We're now forecasting $147.3 million for the year and in a moment I'll touch on some highlights in our Services Group because this business is steadily growing.

SHOW SLIDE #4. Here is the same projection broken down between domestic and international. You'll recall in our last meeting in mid-March, I indicated that Computer Systems was some problem domestically but still a significant order problem internationally in terms of our 1973 order projections. Here are the latest numbers -- $250 million versus $265 million domestically and $132 million versus $169 million overseas.

Peripheral Products domestically and internationally are in good shape -- our total projection is slightly over order budget at $97.6 million.

Services continues a little over all across the board -- and as I said, this is probably conservative for the year.

(SLIDE off)
Let me touch on the Services area in a little more detail. I think a good indicator of success in that part of our business is the consistent over-quota performance month after month. In March, they came up with an all-time record in terms of revenue, booking $2,780,000 for CYBERNET domestically. Thirteen months ago, February 1972, we had a $2 million month. The March 1973 performance, then, represents a 40% increase in thirteen months, the kind of increase we'd like to see in all our businesses. But that record-breaking performance is even more significant when you realize that four of the five domestic regions also set individual records for the month of March, a broad-based performance that is very encouraging.

Further, domestic time-sharing sales reached an all-time high month in March with $400,000 in revenue. Compare that with September, 1972, just six months ago, when we were happy with a $280,000 month. This is a 43% increase in just six months! Incidentally, our time-sharing product will be improved with the release of KRONOS 2.1 later this summer, so when we achieve $400,000 with a product that is just adequate, we can expect continued time-sharing revenue increases as the year progresses.
SHOW SLIDE #4. Some figures on Data Services in Europe and in Pan American areas may also interest you. In Europe, March revenue for Data Services reached $641,000, with our year-to-date revenue now at $1,905,000. We're forecasting $9.6 million now against our quota of $8.6 million. Pan American and Pacific Data Services shows $345,000 in revenue for March. Year-to-date we're at $939,000. Our forecast for 1973 is now at $4.1 million against a quota of $3.48 million.

Some significant new Services orders of note include SITA, the French Society of International Aeronautical Telecommunications. SITA is a coalition of a number of foreign airline carriers, primarily operating in Europe. We have negotiated a contract to provide SITA with our airline reservation system services based in Atlanta, giving SITA international marketing rights to the package for trans-oceanic travel. We can expect by 1974 revenues on the agreement to approach $2 million per year in services and terminals.

Also significant is an order from VARIG, Brazil's national airline. They have purchased 150 airline terminals, a half-million dollars' worth for November delivery, and these will be tied into our reservation system in Atlanta.
Moving on to other news -- there's good news and bad news. The bad news is that we lost the Weather Bureau procurement of two 7600s. I had hoped we would win this award. The long story made short is that IBM out-performed us on critical parts of the benchmark tests, and we were just plain beat.

On the other hand, you'll be happy to know that we have signed a $9 million dollar contract to deliver STAR-100 to the NASA Langley Research Center. The contract was signed Monday (Tuesday) with initial delivery to Langley of our STAR-65 scheduled in July 1974.

And I'm also very pleased to report some real team efforts in our marketing activity. A good example of that is the action on the part of the California State Legislature to consolidate their data processing operations into five major areas. We are responding to the State's invitation to bid on that multi-million dollar project. Originally, we decided not to bid on the first RFP some months back because the basis for the proposals was heavily weighted in favor of one or two major bidders out of the seven who were included in the RFP. When the State realized it could not proceed in a fair competition, all proposals were disqualified. A new bid list includes
us, and we have put together a number of our resources that makes us look very strong in this very large project. Commercial Credit will be very actively engaged in the mainframe procurement level. Our bid team includes our own CDC professional services personnel, some very capable people from Service Bureau Corporation, and the help of McDonnell Douglas in conversion of programs and operations should we be successful in our efforts. This is a major procurement, in the neighborhood of $30 million to $40 million for mainframes, peripherals, terminals and services covering the State's General Services data processing needs. We will be basing our bid on the most cost-effective way of helping California solve its data processing problems, a data processing complex budgeted at nearly $85 million a year.

Basically, our plan is to propose IBM mainframes through Commercial Credit, our own plug-compatible core memory and peripherals, plus a variety of terminals and our own professional services and maintenance, to respond to the entire procurement.

One other note. We will be announcing a number of new products to the world at the National Computing Conference in New York City this June.
Let me just list them for you. They are all new peripheral products -- seven for the OEM peripheral market and two that are plug-compatible for sales directly to users. The new products are:

- Printer Subsystem to replace the IBM 1403
- Tape Subsystem to replace the IBM 3420
- New Card Readers for the OEM market
- Two new Disk Storage Units -- the 9780 and the 9790
- Replacement for the 234570 Disk Storage Module.
- The new 9400 Floppy disk
- 9370 New Fastrain Line Printer.

Those new products should help us immeasurably in our marketing efforts in the OEM area and in direct sales to users.

I'll be glad to answer any questions you might have.
NEW ORDER PERFORMANCE
1973
ORDER BUDGET $678.4

IN PROCESS
FULLY ACCEPTED
CORPORATE BUDGET
MARKETING FORECAST
<table>
<thead>
<tr>
<th></th>
<th>1973 ORDER BUDGET</th>
<th>1973 CURRENT FORECAST</th>
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<tbody>
<tr>
<td>COMPUTER SYSTEMS</td>
<td>$434.5</td>
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<tr>
<td>PERIPHERAL PRODUCTS</td>
<td>96.2</td>
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<tr>
<td>SERVICES</td>
<td>146.2</td>
<td>147.3</td>
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<tr>
<td>RESEARCH &amp; ADVANCED TECHNOLOGY</td>
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<td>TOTAL ORDERS</td>
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<tr>
<td></td>
<td>Domestic</td>
<td>International</td>
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<td>--------------------------------</td>
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<td></td>
<td>Budget</td>
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<td>Computer Systems Orders</td>
<td>$265.3</td>
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<td>Peripheral Products Orders</td>
<td>27.4</td>
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<td>Services Revenue</td>
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<tr>
<td>Research &amp; Adv. Technology</td>
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<td><strong>Total Marketing</strong></td>
<td><strong>$396.9</strong></td>
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**EUROPEAN DATA SERVICES**

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**PAN AM/PACIFIC DATA SERVICES**

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<td>$345,000</td>
<td>$939,000</td>
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AGENDA FOR MEETING
OF THE BOARD OF DIRECTORS OF
CONTROL DATA CORPORATION

Wednesday, May 2, 1973 - 8:00 A.M.
St. Paul Hilton Hotel - McKnight Suite
11 East Kellogg Boulevard
St. Paul, Minnesota

1. Approval of Prior Minutes
   Board of Directors  3/16/73
   Executive Committee  3/01/73; 3/29/73; 4/16/73
   Option Committee  3/08/73
   R. B. Hawkins (5)

2. President's Comments
   W. C. Norris (30)

3. Consolidated Financial Summary
   B. R. Eng (10)

4. Review of Talk to Stockholders' Meeting
   W. C. Norris (10)

5. Computer Business Operations Reports
   Computer Systems
   R. C. Gottier (10)
   Peripheral Products
   T. G. Kamp (10)
   Services
   R. M. Price (10)
   Marketing
   P. G. Miller (10)

   D. S. Jones (20)

7. Preferred Stock Dividend
   R. B. Hawkins (5)

8. Appointment of Committees of the Board
   R. B. Hawkins (5)

9. Recapitalization - Control Data Italy & Germany
   M. G. Rogers (5)

10. New Authority for Real Estate Leases
    M. G. Rogers (5)

11. Selby Operation --
    Status Report and New Building
    Tour of Selby Operation (Optional)
    N. R. Berg (15)

12. Other Business

13. Executive Session
    Election of Officers
    Officers' Compensation

* To be acted on at Annual Board Meeting immediately following Stockholders' Meeting.