Hello, everyone. And welcome to what may well be a new entry in the Guinness Book of World Records.

Right now 40,000 Control Data people are gathered in groups like yours all over the country for this world's record teleconference call. I know this is kind of an unusual way to get together, but this is an unusual occasion, too. Also, I understand some of you did not get the announcement card because of the Columbus Day delay in the mail. Anyway, I'm glad you're here -- or there I mean.

It's no secret that 1982 has been a tough year. From the media, you know the world economy has been sitting in the middle of a recession. And from the company financial reports, you know we've been affected here at Control Data as well. Not as deeply as many other companies, but still we are feeling it. Control Data's earnings are below last year. And new orders aren't at budget either.
Now we're working at all those problems. For example, as many of you know, the various sales organizations across the company have already initiated special efforts to book more business during the remainder of the year. And, for the past several months, a lot of attention has been given to reducing inventory, reducing costs and expenses and so on.

Thanks to a lot of creative thinking, we've been able to do just that. More important, we've been able to do it without resorting to the large involuntary layoffs that a lot of companies have had to use to cut costs. In fact such layoffs at Control Data have fortunately been held to a few hundred.

One message I have for you today is that the results of these cost-cutting efforts have really started to register. September was the first month that we have exceeded our profit budget since last March. As a result, earlier today we reported earnings of $1.03 per share for the third quarter -- and while that is below last year's $1.16 per share, it is up from the $.91 we reported in the second quarter.

Looking ahead to the rest of the year, it appears that total expenses for the year will be below budget by nearly $80 million; and by year-end our inventories will be down also around $80 million from their high point a little earlier this
year. I should add that to achieve these goals we will undertake extended holiday closings at some plants. But however you look at it, these inventory and expense reductions represent a significant achievement with a minimum of pain.

On the other hand, expenses will still be 11 percent above the 1981 level, so it's not as though we've actually been taking a year-to-year cut in expenses.

But more important is the fact that revenues are going to be some $340 million below the budget level that we had planned. So, in spite of everything we've done, 1982 doesn't shape up as being exactly a banner year for Control Data.

But I really didn't call you up just to talk about expense budgets and all that stuff. There are others who can do that just as well as I, and I suspect they have been. No, it was really something more than that that I've called you about.

A couple weeks ago, I had the wonderful experience of recognizing Bill Norris and Control Data for 25 years of incredible accomplishment. You'll be seeing a video tape of that presentation a little later on, but believe me, it was a truly moving experience, and I wish all of you could have been there in person to see it. But then the tape will at least let you share those moments with me.
Anyway, the next day some of us were thinking about the previous evening and its events; but we were also looking at the business forecast, and someone said, looking at the numbers on the screen in front of us, what a lousy way to celebrate our 25th birthday. Surely there's something more we can do. So that's why I've called you today...to take a few minutes and to talk about what we can do.

When you think about it in a business as competitive as ours with technologies advancing as fast as ours, 25 years is a very long time. On the other hand, it's a very short time to go from nothing to number 144 on the Fortune 500 list.

Each of us has had a hand in that accomplishment, and we all have a right to be proud of it. And Control Data more than any company I know has always relied on the ideas and entrepreneurship of its employees. We've had to.

In the early days we were betting the company every few years on our next generation of computers. Financially we went to the brink a half dozen times in our first few years. And some of you can probably remember the pay cuts we all took to get us through. And by the way, that's also not why I'm calling you today.
It's no longer a question of survival like it used to be, but it is a question of building a stronger company for all of us....and our successors who will follow us. And more than anything, I think it's just a question of pride. We want to keep our spirit of adventure, and we want to foster individual initiative that has brought us this far. But more than anything, we want the results....our results....to reflect all that.

Now the economy may not be so good for our 25th birthday, but that's just the breaks of the game. We've seen a lot tougher years, and we can still have a happy and successful birthday year. And we can get a head start on the next 25 years as well.

And the way we're going to do it, is through our own good ideas and our own hard work...starting today. Starting today I'm asking each of you to get together with your manager and your co-workers and talk first of all, about what you as an individual can do, and secondly what your work group can do to improve performance this year.

So I'm asking each of you to get involved. I'm asking each of you to think about what you could do better and to make a personal commitment to do that.
Now really when you think about it, it's always been this way. If we could look back down the road Control Data's traveled, what we'd see is an unbroken string of ideas that light the way -- ideas generated by the individuals who are our company.

As a way to formalize this request, we're initiating a program starting today that solicits your ideas....ideas that will make our birthday a happier one. And ideas that can pay off for you as well -- ideas that will make a difference today, for the rest of the year, and for that matter, for the next 25 years. It can be any kind of an idea, of any magnitude. And if you think it'll make a difference to the business, Control Data wants that idea. You'll be receiving specific materials on the program later today.

But this is really my message: we have an opportunity to close our 25th anniversary year on a truly high note and to move into the next 25 years stronger than ever. So I invite each of you to join me, starting today, in thinking about how to make that happen. I'm looking forward to the results.

I realize this has been kind of a one-way phone conversation, but you can imagine what it'd be like if all 40,000 of you started talking at once. Anyway, if you talk this over with your boss and with your friends and with yourself, believe me, we'll hear the results loud and clear here in Minneapolis. It's been nice talking to you. We'll just have to do this more often.