Good evening, ladies and gentlemen.

In thinking about this gathering and in searching for the right words to pay tribute to you for your accomplishments in 1987, I was reminded of a story about Yogi Berra, the baseball Hall of Fame and New York Yankee great who is perhaps even more famous for his verbal confusions.

On "Yogi Berra Day" in his hometown of St. Louis, Yogi opened his acceptance speech by saying, "I want to thank all the people who made this night necessary."

So, to paraphrase Yogi: "I want to thank each of you for making this night necessary."

You can take great pride in achieving your sales goals. Your individual efforts made Control Data a stronger company than it was a year ago. And with you continuing to lead the way, we'll get even stronger in 1988.

There's a sign on the 14th floor at Headquarters in Mpls. that reads: "If nobody sells, a terrible thing happens---nothing."
Those words are worth remembering every day.

There are certainly many different challenges facing each business unit of Control Data. But as I look across the Company, the single common, dominating key to success in 1988 is selling.

Fortunately, in 1987 we brought to market new products and services that make for exciting selling.

So, the No. 1 task before all of us this year is to build sales momentum to equal the new product momentum we generated in 1987.

I want to talk about that product momentum. But, first, let me take a brief, personal look back at 1987.

In mathematics, there is a geometric phenomenon known as a saddle point. It's a min-max point...in one dimension things are at a maximum and in another at a minimum.

If you've ever backpacked in the mountains, you know those points well. You struggle up a hill toward a pass, reach the top and look out ... looking ahead, you can see forever, but to the left and to the right, the mountain sweeps up again in a seeming never-ending challenge.
In many ways, 1987 was like that for Control Data. Every day I could feel progress—positive momentum as more good things began to happen. And, then, once a month, I looked at the numbers, added up the score, and it seemed progress would never come. We experienced maximum and minimum progress simultaneously...and the elation and frustration that goes with it.

Most important, though, when the year was over, in spite of all obstacles and unforeseen pitfalls, the Company was profitable (on an apples to apples basis) for the first time since 1983. That earnings report of $.45 per share put behind us those three years of pain.

I view 1988 with even more confidence for the simple reason that we have more strengths than we had to begin 1987. We not only achieved the major goal we set for ourselves -- profitability -- we did much more. We achieved significant quality improvements through TQMP. We developed a much better understanding of what it takes to be a marketing company. Most of all in 1987 we gained momentum.

Consider this sampling of that product momentum:

In Computer Systems, we introduced the CYBER 930 and the CYBER 910.
ETA Systems delivered on its promise to take supercomputing to new levels by introducing both the world's fastest supercomputer—the ETA-10-E4—and the most inexpensive—the ETA-10-P. On top of that, the ETA-10 was honored by the Japanese press as the best product, developed by an overseas company and marketed in Japan.

Data Storage Products introduced 17 major products, but perhaps one of the most outstanding achievements was the Swift family of disk drives—the highest performance, highest capacity 3-1/2-inch drives in the computer industry today.

Business Services, with excellent internal growth and acquisitions, begins 1988 as a three-quarter billion dollar set of services. However, it's not quantity but quality of service that exemplifies its old as well as its new products and services.

Government Systems delivered its Parallel Modular Signal Processor (PMSP) to the U.S. Air Force and Navy. PMSP continues Control Data's long history of successful application of parallel processing computers to military applications.

Training and Education introduced innovative programs for its two key market segments: K-14 education and industrial training.

And Ticketron, with its new lottery system, scored a major victory by winning the Florida lottery contract.
As I said, that's only a sampling of the product momentum we have going for us.

The way I look at it: 1986 was a year of restructuring...1987 was a year of gathering renewed momentum through these new product introductions...and 1988 is the year of realizing momentum through selling.

It's no accident that we have product momentum. It's a result of focus on customer need and of working very hard to develop the products and services that give us competitive advantage in meeting those needs.

Of course things are never as simple as I've depicted it in these brief remarks. Like life itself no product line or service is perfect. There will always be product deficiencies in highly competitive and rapidly changing markets. We had some in 1987 and we'll have others in the future. And that's why we need you. Otherwise we could just take orders by telephone and dispense with the sales force. You are the people that add the extra value to get the job done. So, again, thanks for making this night "necessary."

(PAUSE)
Many of you submitted recipes for southwestern foods that were combined into a recipe book for this conference. If I were to give you the recipe that we followed to build product momentum, it might go something like this...

First, we used large amounts of strategic analysis that blended customer needs with the competitive and socio-economic forces that have an impact on the customer. We mixed well to get an extra measure of understanding of customer needs.

Next, we stirred in a marketing strategy for added zest to satisfy customer taste.

Finally, we're serving the strategic plan with special accent on servicing the customer.

Of course, the recipe I've given you is no more than a variation of the theme we set for Control Data in January 1986 --to become: "Control Data, The Marketing Company."

And the same recipe that has given us product momentum can be used to make 1988 a year of successful selling for you.

Start with a large measure of understanding customer needs. Add account strategy seasoned to please customer taste. And serve with extra accent on service.
If we are successful in realizing momentum through selling, we will succeed in achieving the ultimate goal for Control Data—superior financial performance and increasing value for its shareholders.

In the end, the product momentum built up over the past year gives you an exciting opportunity to add to your own personal success while, at the same time, helping build the sales momentum Control Data needs to prosper.

As the sales leaders of Control Data, you DO make a difference. A BIG difference. To a great extent, Control Data's success depends on your success.

Success -- each of us wants to be successful. When do we know we are successful? What is success?

In June of 1947, George C. Marshall, then Secretary of State and formerly the U.S. Chief of Staff whom Winston Churchill had called the "Organizer of Victory" in World War II, laid out his blueprint for the recovery of Europe -- a Europe devastated by the war and wracked by political turmoil.
Time magazine in a recent review of its past Man of the Year Awards, called the Marshall Plan, as Marshall's European Recovery Act became known, "perhaps the most profoundly successful experiment in international cooperation ever attempted."

By any definition -- in war and peace -- George Marshall was successful. His biographer wrote: "The General's hard-won serenity came not from egotism but from a certainty born of self-knowledge, self-discipline, ... the sure grasp of his profession ... [and because he knew] he had done the best he could at whatever he had put his hand to."

John Wooden, the most successful coach in U.S. college basketball history, expressed similar thoughts. He described success as "the peace of mind that comes from self-satisfaction in knowing you did your best."

Coach Wooden added: "That's something each individual must determine for themselves. You can fool others, but you can't fool yourself."

If at the end of 1988 you can look back and truly say to yourself "I did my best," that's all I can ask. And by the way, if each of you can do that, I suspect we'll be able to look at the Corporate results with great pride and satisfaction as well.

Thank you.