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Control Data Corp. Stock Continues to Soar

250-Fold Increase Is Shown by Shares in Six-Year Run

By VARTANIG G. VARTAN

Stock in the Control Data Corporation was traded at a record price of 83 3/4 yesterday, which means that its shares have multiplied 250 times in value since the company "went public" six years ago.

No other issue listed on the New York Stock Exchange can match this phenomenal rise during the same period. It marks one of the most fabulous six-year runs in recent history for any Big Board stock.

Shares of this computer manufacturer closed at a high of 83 3/4 reached in the final hour of trading. The stock rose 2 3/4 for the session and the total volume of 41,200 shares made "CDA" the 16th most active issue crossing the ticker tape.

Sales Up Sharply

Fueling recent gains were sharp increases for fiscal 1963 sales and earnings announced last week.

It was August, 1957, when president William C. Norris and a small cluster of scientists offered 600,000 shares of stock in their new company to friends and acquaintances in Minnesota. It took them nearly two months to sell the stock at \$1 a share.

What came next traced out a classic Horatio Alger story at the corporate level.

Control Data took hold as a company and began to make good. Its stock had climbed in the over-the-counter market by April, 1961, or less than four years later, as high as 118.

Geared to Science

That was in the hectic period when small, unknown companies geared to science and esoteric products made the unlisted market turn the investor public goggle-eyed with excitement. Many of these concerns later fell by the wayside.

But Control Data, in September, 1961, split its stock three-for-one and, after weathering the general market break last year, set the stage for another long advance.

Early this year, its low price was 30. In March the company bowed onto the exchange.

At the time of its listing, "The Exchange," a publication of the Big Board, gave the company an indirect plug by observing: "Of the nation's eight major manufacturers of electronic computers, only two are reputed



Control Data Corporation made equipment in use at Weizmann Institute, Tel Aviv, Israel

to be making any money at their trade."

One moneymaker was the International Business Machines Corporation, kingpin of the computer industry and the most highly regarded "growth" stock in Wall Street for the past decade. The other mention went to Control Data.

At current levels, Control Data stock is selling at 111 times earnings for the fiscal year ended June 30, 1963. Net income for the period was equal to 75 cents a share.

I. B. M., which dipped one point yesterday to 442 1/2, is currently priced at 51 times earnings for calendar 1962, which marks its latest complete year. Its net profits came to \$8.72 a share.

No Reason Given

Control Data has never paid a cash dividend. I. B. M., now paying dividends at the rate of \$4.00 a year, yields a shade under one per cent.

Now busily expanding into foreign markets, Control Data within the past year has set up subsidiaries in seven countries — Canada, Switzerland, Sweden, West Germany, France, the Netherlands and Australia. Colorful foreign flags fly on the cover of its latest annual report.

In Minneapolis, Control Data officials could think of no spe-

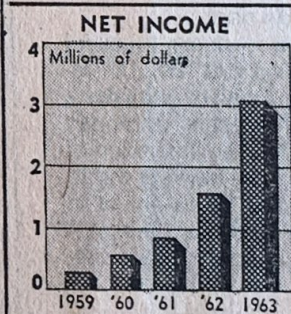
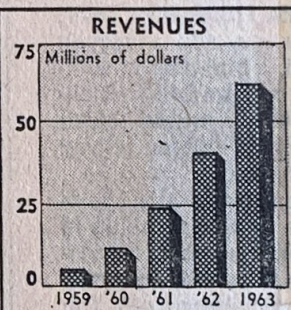


William C. Norris, president of the corporation.

cial reason yesterday for the stock to move up to a new record. It has gained 5 points so far this week.

Executives, however, did shed some light on those early buyers of Control Data stock.

"I'd say 300 people subscribed to the stock at the original of-



The New York Times Aug. 30, 1963
Sales and profits of Control Data Corporation have risen sharply since 1959.

fering," recalled James G. Miles, vice president for marketing development. "That means they

bought an average of 2,000 shares. Probably over half of those initial subscribers here in Minnesota still own their Control Data stock. Of course, we have a total of 18,573 stockholders now."

An initial investment of \$2,000 for 2,000 shares—if retained by the stockholder—would mean 6,000 shares today, since the stock has been split 3-for-1.

This investment, at present market prices, would be worth \$502,500. That means that the stockholder would enjoy a paper profit of half a million dollars—before any capital gains tax, of course.

Mr. Norris, who departed from Sperry Rand's Univac division with five associates to set up Control Data, is the largest single beneficial owner of stock among company officers. His holdings amount to 183,220 shares. One vice president from the nucleus group holds 55,004 shares and two others own about 12,000 shares each.

Control Data, which recently sold a super computer for \$7,-

000,000 (its first one at this price) to the United States Atomic Energy Commission, describes its 6600 model as "the most powerful computing system ever built."

Mr. Norris, incidentally, will come here Sept. 19, two days after the company's annual meeting of the New York Society, to address a luncheon city of Security Analysts.

Control Data is often confused with another "glamour" stock named Data-Control Systems, Inc., which is traded on the American Stock Exchange. The two companies have no connection. Data-Control's stock rose 1/4, to 29 1/2, yesterday.