

Control Data Keeps Growing

By WALTER B. SMITH
Detroit News Financial Editor

William C. Norris, founder and president of Control Data Corp., came here last week and talked about his incredible business, which is computers.

He said he could see nothing ahead but growth.

Control Data, based in Minneapolis, is one of the genuine wonder companies of our time. It was started in 1957, and its sales rose from \$626,000 the first year to more than \$121 million in the latest fiscal year ended June 30.

BUSINESS SLOWS

Moreover, unlike some other companies in the computer field, Control Data has been highly profitable. It lost \$115,000 in its first year, but thereafter began piling profit on top of profit. In its latest fiscal year it earned \$6 million, equal to 88 cents a share, adjusted for stock splits.

Norris, 54, spoke to the Financial Analysts Society of Detroit. He told his audience of brokers

and bankers that "this is indeed a growth industry." He said the rate of growth for the computer business has begun to slow down, but that it is still climbing and "it's impossible to predict a plateau."

As for Control Data, he said, "We'll have a good year," with both sales and profits higher than last year.

"We're optimistic short term and long term, and expect to keep Control Data growing faster than the overall market," he said.

He refused to be more specific.

SUPER MODEL IN '67

Control Data gets its revenues from three sources—sales, rentals and service fees. It operates service centers in major cities.

The company's computers come in all sizes, ranging from baby models costing around \$20,000 to giants costing \$6 million or more each. The biggest of all, which Control Data will not have ready for delivery to

customers until 1967, is designed to perform a staggering 12 million additions in one second.

Dr. John Baird, Control Data's director of research, indicated to the financial analysts that even he is awed by the speed at which this computer will run.

"Just who can use such a machine is beyond me," Baird confessed. "But we have customers who say they need an even bigger machine."

Baird talked about possible uses to which computers could be put.

He said a computer could design a structural steel building, with a 50 percent saving in time and a 5 percent saving in steel cost. "You feed in the specifications at one end and get completed drawings at the other end," he said.

He said a computer could be used to choose the most economical route for building a highway.

He said that if traffic lights were controlled by a computer, and timed automatically to adjust for the flow of vehicles, it would be possible to accommodate 30 percent more cars on a city's streets. "It would be far cheaper to buy a \$2 million computer than to widen streets," he said.

DETROIT CONTRACT

(Control Data, he noted, has a contract in Detroit to provide computer controls for traffic signals which will be installed next spring on entrance ramps of the Lodge Freeway.)

Another major area of computer use, Baird said, is weather forecasting. Computers make it possible to bring together meteorological data from all parts of the world and process it almost instantly.

The chart of Control Data's own growth looks like a one-way escalator—traveling upward only. Net profits (adjusted) were 7 cents a share in fiscal 1959, 12 cents the next year, then 16 cents, then 26 cents, then 50 cents, and then last year 88 cents.

Sales were \$4 million in fiscal '59, then \$9 million, then \$19 million, then \$41 million, then \$63 million, then last year's \$121 million.

1963 LISTING

Control Data stock went on the market in 1957 for the equivalent of 25 cents a share, after adjustment for splits. In 1963 it was listed on the New York Stock Exchange and rocketed to the equivalent of \$75—a rise of 300 fold.

It has now dropped far below that peak, and closed the week yesterday at \$53.37½. That was about 55 times the amount of last year's profit per share.

Control Data has never paid a cash dividend, and Norris said there is no present prospect of paying one. He said the profits will be plowed into expansion and acquisitions.



WILLIAM C. NORRIS

Computers speed up

Control Data's 6800 model is the largest, swiftest electronic brain yet

Living up to expectations, Control Data Corp. has wrested back from International Business Machines Corp. the title for the biggest, fastest, most powerful computer.

This week, the Minneapolis company announced it has added the 6800 model to the top of its line. The 6800 operates at speeds four times those of the company's 6600, which held the title for size before IBM expanded its System 360 line with the model 92 last August. Control Data also came out with a model 6400. As the numbering suggests, this is smaller than the 6600.

Variety plus. With three models in its line of extra-large computers, Control Data can offer variety to prospective customers. So far, the 6600 has been accepted only in scientific circles. It has been installed at the Atomic Energy Commission's Lawrence Radiation Laboratory, and has been ordered for the European Organization for Nuclear Research (CERN) and for the Courant Institute of Mathematical Sciences.

Last month, Control Data won a contract from the U. S. Weather Bureau: a 6600 will be asked to process data gathered by meteorological satellites, assist in daily weather forecasting, and manipulate a complex mathematical model of the atmosphere—often doing these jobs at virtually the same time.

New markets. This ability to handle staggering amounts of calculations for several tasks, seemingly at once, and to do it economically, has been the basis for the 6600's success so far. Now, Control Data sees an entree to commercial jobs for its big computers in the trend toward total information systems.

This week, Pres. William C. Norris revealed that Control Data is deep in development of its own line of peripheral equipment. It has a growing library of computer programs for the 6000 series and is developing more, including Algol, Cobol, and a simulator for IBM's large-scale 7090 computer. **End**

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Control Data Acquires Pioneer in Laser Field For \$11 Million Stock

TRG, Inc., Melville, N.Y., Will Be Subsidiary; Control Data Sees Tie-In to Computer Line

By a WALL STREET JOURNAL Staff Reporter
CHICAGO—Control Data Corp. said it acquired TRG, Inc., a scientific research and design concern, in an exchange of stock having a market value of nearly \$11 million.

William C. Norris, Control Data president, and Lawrence Goldmuntz, TRG president, said the acquisition involved an exchange of approximately 205,000 shares of Control Data common stock. The acquisition was completed Dec. 9. The stock closed Friday on the New York Stock Exchange at \$53.375.

TRG, which Mr. Norris said will be operated as a subsidiary, earned \$194,000 last year on sales of \$6 million. The company employs some 300 people in its Melville, N.Y., headquarters and its research laboratories in Boston and Menlo Park, Calif.

Mr. Goldmuntz said TRG was a pioneer in the laser light beam field and holds many basic patents, and he added lasers might be used in computers for displays, memories, character recognition and data transmission.

Mr. Norris explained that important TRG programs "have significant requirements for Control Data computers." For example, he said, advanced work TRG is doing on sonar systems for surface ships and submarines requires complex computers costing over half the total system price. He said TRG will work closely with Control Data in developing other systems utilizing computers.