

SALES, EARNINGS TO RISE

Control Data Gain Seen

Substantial increases in both sales and earnings were predicted by William C. Norris, president of Control Data Corp., at the annual stockholders' meeting Tuesday.

Norris said it is against the company's interests to use figures in any forecast, but he said, "This year will be a good one."

Control Data had sales of \$121,439,690 during fiscal 1964, which ended June 30, and net earnings of \$6,072,921, or \$1.32 a share.

In answer to a stockholder's question, Norris said Control Data has some acquisitions under consideration but said he could not give details. He told another stockholder the rumor of negotiations between Control Data and Telex was unfounded.

Norris said up until a year ago his firm believed there was no seasonal factor in the sale of computers, but the management's opinion has changed and the company is expecting seasonal gains and losses for the next several years.

He said the primary reason for seasonal fluctuations is purchases by the U. S. government. Control Data's volume to the government is at a rate of between 60 and 70 per cent of total sales, Norris said. It appears the government is buying most of its computers toward the close of its fiscal year, which ends in June, resulting in heavy last quarter sales, he said.

Control Data had record sales and orders this June of 61 million dollars, due partly to increased volume from the government, he said.

Norris predicted the first quarter of 1965 will reflect a seasonal factor with low sales and earnings, the second

quarter will also suffer from this, but not as much, and the third and fourth quarters will show substantial seasonal gains.

He said Control Data expects to gradually reduce its research and development costs, starting this year, and also its sales and administration costs, resulting in a higher margin of profit.

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Norris Sees Good Times Ahead for Control Data

Stockholders of Control Data Corp., ordinarily happy about their company's growth, received some cheering news about further growth at their annual meeting Tuesday.

William C. Norris, president, told them the outlook continues to be good for "substantial" growth in sales and earnings.

The company more than doubled its earnings in the past fiscal year, going from \$2,672,000, or 64 cents per share in the 1963 period, to \$6,027,000, or \$1.32 per share. Sales climbed 84 per cent to \$121,439,000 for the year ended last June 30.

Norris said the rate of gross profit of Control Data's computer systems is greater today than at any time in the company's history. He also noted that this rate has been increasing while customers have been getting "more computing per dollar."

While the market in this country is not expected to grow as fast as expected a few years ago, Norris said, it is still growing at a rate of about 20 per cent a year. He indicated overseas growth is expected to be even larger.

Control Data Corp. has purchased 78 acres of land in Bloomington west of its cor-

porate headquarters, the firm announced today.

Norbert R. Berg, chairman of Control Data's facilities committee, said the land was purchased from the Kelmar Corp., owned by the James E. Kelley family. The purchase price was not disclosed.

The transaction will give the firm 109 acres at the site, at 34th Av. S. and 80th St.