CONTROL DATA'S HISTORY 1957 TO PRESENT

Control Data opened for business in 1957 when co-founder William C. Norris and a handful of colleagues began to occupy rented warehouse space in St. Paul, Minn. The Company was the first computer company to be publicly financed. Initial capitalization was accomplished through the sale of 600,000 shares of common stock priced at $1 per share.

Mr. Norris and the associates who followed him from Sperry-Rand set out to design and build the most powerful computer in the world. After the release of the 1604 computer in 1958 and the introduction of two more computers by 1960, Control Data had became a leading force in scientific computing. The first 1604 was sold to the U.S. Navy Bureau of Ships a month after its release, thus beginning Control Data's relationship with the Department of Defense and other government agencies.

In 1958, the Company began to grow through acquisition. It acquired Cedar Engineering, which manufactured peripheral equipment for computers. Cedar Engineering eventually grew into Imprimis Technology Incorporated, the largest supplier of high-performance data storage products for the original equipment manufacturers market.

At about that time Control Data began moving into peripheral products, it moved into data services. There were many companies with the technical sophistication to use powerful computers, but at the time, only the largest and most prosperous could afford to invest in the computers Control Data offered to keep that equipment busy enough to make it cost-effective. Mr. Norris decided to "sell a little piece of a big computer at a time."

Control Data's involvement in computer-based services expanded in 1967 when it acquired the Arbitron Company as part of CEIR, a software company. CEIR is long gone, but Arbitron has been a major financial contributor to Control Data for many years.

Rapid growth began to put a strain on Control Data's limited resources. In addition, many computer systems were leased rather than sold outright, and the debt that was incurred to finance lease build-up had an unfavorable impact on the Company's balance sheet. Control Data determined that a possible solution to both problems was the acquisition of a finance company. It happened that Commercial Credit Company of Baltimore was looking for a white knight to help it fend off a hostile takeover attempt. Commercial Credit made overtures to which Control Data responded affirmatively, and Commercial Credit became a wholly owned subsidiary of Control Data in 1968.

Perhaps the biggest milestone in Control Data's history was the antitrust suit the Company successfully filed against IBM in 1968. As part of the settlement, Control Data acquired the Service Bureau Company from IBM. This organization was the forerunner of a number of successful Control Data businesses, the largest of which is Business Management Services, a major provider of payroll processing, tax filing and other business administration services. The acquisition of the Service Bureau Company doubled the size of Control Data's service business, broadened its markets and brought to the a first-rate management staff.

When simmering racial problems in the United States erupted into riots in Minneapolis and many other cities in the long, hot summer of 1967, Mr. Norris began to broaden Control Data's mission to include addressing society's unmet needs. "You can't do business in a society that's burning," he explained.

The Company began to start and grow businesses in which computers were used to provide education, training and better management services to the disadvantaged. The largest of these businesses involved computer-based education, job creation and new business incubation. By the early 1980s, Control Data perhaps was best known by many people for these small businesses, even though computers and peripheral equipment accounted for the lion's share of the Company's revenues.

The computer industry underwent a sea change in the early 1980s, due principally to intense competition from the Japanese and small start-up companies in the United States, as well as the advent of the microcomputer. Some of Control Data's competitors reacted to these changes more quickly than it did, and, as a result, the Company's performance fell off sharply and it began to experience serious liquidity problems. It became clear that Control Data had become far too diverse and that it needed to focus much more narrowly if it was to prosper again.

Refocusing became the primary task of Robert M. Price, who succeeded Mr. Norris as chairman and chief executive officer in January 1986. When a successful public debt offering removed the most immediate pressure on the Company in mid-1986, the sale of non-strategic and/or non-performing assets began. The Company had determined that it would concentrate on the computer business, so in late 1986, Commercial Credit was spun off as a publicly owned company. Control Data initially retained a minority interest, but sold that to Commercial Credit a year later.

Several small businesses were sold in 1987 and 1988. In early 1989, Control Data sold Imprimis (the data storage products subsidiary), closed its supercomputer operation (ETA Systems), streamlined its mainframe business, and shed its training and education businesses, Ticketron ticketing service and third party maintenance operations. In 1990, Control Data sold Micrognosis, Doane Information Services, the VTC bipolar semiconductor and CMOS operations, Printed Circuits Operation and a large defense contract.

Today Control Data applies computer technology to meet customers' specialized computing and information management needs. Each business is developing or increasing competitive advantage to make Control Data a consistently profitable company.

THE RECENT HISTORY OF CONTROL DATA

Control Data provides data solutions that integrate hardware, software, and services to meet customers' complex information collection, processing, management and communications needs.

As recently as 1986, the Company's business mix was dominated by large business groups such as data storage products and financial services. Today, however, Control Data is made up of seven businesses, each dedicated to leadership in well-defined market segments. They include the Arbitron Company, Automated Wagering, Business Management

Services, Computer Products, Data Services (which includes Business Information Services, Credit Union Services, TeleMoney Data Services, Quorum Systems and REDINET Services), Empros Systems International and Government Systems.

KEY ASSET TRANSACTIONS

Poor performances and liquidity pressures in 1984 and 1985 underscored the fact that, over the course of many years, Control Data had become far too diverse. The Company began to sharpen its focus, and in recent years, it has sold or closed approximately 20 businesses and product lines, using some of the proceeds to acquire and invest in operations that enhance its information management businesses.

October 1986   Commercial Credit Company, Control Data's wholly owned financial services subsidiary, became a publicly owned company headed by Sanford Weill. Control Data initially retained an 18.3 percent interest in Commercial Credit, but sold it to Commercial Credit in late 1987. Net proceeds from the 1986 and 1987 transactions totaled $837.5 million.

December 1986   Control Data purchased Broadcast Advertisers Report, a television and radio commercial monitoring service, to extend the services Arbitron could provide its customers.

December 1987   Control Data acquired SAMI/Burke, a market research firm that tracks consumer product purchases. Subsequently, SAMI became part of Arbitron. The Company sold the Burke custom research business to Burke's managers in July 1989.

April 1988   Control Data increased its interest in Micrognosis Inc., ultimately owning 100 percent of the financial systems integration company, a leader in the international market for trading room systems.

March 1989   Control Data sold its Control Data Institutes (which provide vocational computer career training) in West Germany and France to Australian-based Computer Power Group Ltd.

April 1989   Control Data discontinued its ETA Systems supercomputer operation. Although ETA achieved a number of technological successes, it had sustained significant losses and was not expected to be profitable in the near future.

April 1989   Control Data streamlined its Computer Products business. The operation focused its strategy on providing integrated solutions that satisfy the requirements of scientific and engineering computing, as well as the management of large complex data bases and communications networks.

May 1989   Control Data sold Action Data Services to Primerica Corporation. Action Data Services provides on-line,

real-time processing and support products to consumer credit companies and other financial service institutions.

June 1989   Control Data sold its European third-party computer maintenance business to Thomainfor, a subsidiary of Thomson-CSF of France. Maintenance of Control Data's CYBER product line in Europe will continue to be performed by Control Data.

September 1989   Control Data sold the Imprimis Technology Incorporated disk drive business to Seagate Technology, Inc. for approximately $450 million in cash and securities, retaining approximately an 18 percent interest in the combined companies.

October 1989   Control Data sold its Control Data Institutes in the United States and Canada, as well as the Institute for Advanced Technology, to the Minneapolis-based Human Capital Corporation.

October 1989   Control Data sold its Training and Education business to a new company formed by Chicago-based William R. Roach & Associates. Control Data has a 20 percent interest in the new company.

December 1989   Control Data sold its Ticketron ticketing service to the Carlyle Group.

January 1990   Control Data sold its U.S. third-party computer maintenance service to Bell Atlantic Corporation.

April 1990   Control Data agreed in principle to sell its Doane Information Services to Doane Agricultural Services. The Control Data business, part of which had been purchased from Doane Agricultural Services in the early 1980s, provides agricultural software and agribusiness publications.

October 1990   Control Data sold its Advanced Tactical Air Reconnaissance Systems (ATARS) contract to Martin Marrietta.

October 1990   Control Data sold its VTC bipolar semiconductor operation to a VTC management team.

October 1990   Control Data announced it would close Arbitron's SAMI product tracking operation and assign SAMI's customer contracts to Information Resources, Inc. (IRI). To bring new services to its clients, Arbitron signed a long-term cross-licensing agreement with IRI to integrate sales tracking data with broadcast and commercial monitoring information.

December 1990   The VTC CMOS operation was sold to Cypress Semiconductor Corporation.

January 1991   Control Data sold its Micrognosis trading floor systems business to CSK Corporation, a Japanese computer

services company.