

Tymshare, Inc.
Five-Year Plan Summary

CONFIDENTIAL
 (August 1977)

(\$ In Millions)	1978	1979	1980	1981	1982	5-Year Total
<u>Revenue (Schedule)</u>	<u>\$159.0</u>	<u>\$218.4</u>	<u>\$286.8</u>	<u>\$367.1</u>	<u>\$460.1</u>	<u>\$1491.4</u>
<u>Pre-Tax Profit</u>	<u>\$ 26.4</u>	<u>\$ 36.8</u>	<u>\$ 48.8</u>	<u>\$ 63.7</u>	<u>\$ 82.8</u>	<u>\$ 258.0</u>
PT Margin %	<u>16.6%</u>	<u>16.6%</u>	<u>17.0%</u>	<u>17.3%</u>	<u>18.0%</u>	<u>17.3%</u>
<u>After-Tax Profit</u>	<u>\$ 13.1</u>	<u>\$ 18.0</u>	<u>\$ 24.1</u>	<u>\$ 31.2</u>	<u>\$ 40.5</u>	<u>\$ 126.9</u>
<u>Add Depreciation</u>	<u>8.7</u>	<u>11.2</u>	<u>14.3</u>	<u>15.9</u>	<u>17.4</u>	<u>67.5</u>
<u>After-Tax Cash Flow</u>	<u>21.8</u>	<u>29.2</u>	<u>38.4</u>	<u>47.1</u>	<u>57.9</u>	<u>194.4</u>
<u>Capital Stock (Options/Purchase Plan)</u>	<u>1.0</u>	<u>1.2</u>	<u>1.3</u>	<u>1.5</u>	<u>1.8</u>	<u>6.8</u>
<u>TOTAL FUNDS PROVIDED</u>	<u>\$ 22.8</u>	<u>\$ 30.4</u>	<u>\$ 39.7</u>	<u>\$ 48.6</u>	<u>\$ 59.7</u>	<u>\$ 201.2</u>
<u>Funds Used</u>						
Equipment	\$ 12.6	\$ 17.5	\$ 19.6	\$ 24.0	\$ 29.2	\$ 102.9
Long-Term Debt Repayment	3.7	4.0	2.6	3.9	.4	14.6
Acquisitions	1.8	3.0	3.0	3.0	3.0	13.8
<u>TOTAL FUNDS USED</u>	<u>\$ 18.1</u>	<u>\$ 24.5</u>	<u>\$ 25.2</u>	<u>\$ 30.9</u>	<u>\$ 32.6</u>	<u>\$ 131.3</u>
<u>NET WORKING CAPITAL GAIN (LOSS)</u>	<u>\$ 4.7</u>	<u>\$ 5.9</u>	<u>\$ 14.5</u>	<u>\$ 17.7</u>	<u>\$ 27.1</u>	<u>\$ 69.9</u>
<u>CAPITALIZATION (at Y/E)</u>	<u>1977</u>					
Debt	\$14.6	\$ 10.9	\$ 6.9	\$ 4.3	\$.4	\$ --
Equity/Net Worth	40.0	54.1	73.3	98.7	131.4	173.7
<u>TOTAL CAPITALIZATION</u>	<u>\$54.6</u>	<u>\$ 65.0</u>	<u>\$ 80.2</u>	<u>\$103.0</u>	<u>\$131.8</u>	<u>\$173.7</u>

1.11
\$2.88

4.4

number of shares

45% of annual new orders

-10%

7.0 million

(August 1977)

(\$ In Millions)

	1978	1979	1980	1981	1982	5-Year Total	Mixture Percentage
Marketing Services							
Accounting	\$ 16.4	\$ 20.5	\$ 25.6	\$ 31.0	\$ 38.0	\$ 131.5	8.8%
Manufacturing	13.3	15.9	19.0	22.5	25.5	96.2	6.5
Telephone	10.3	12.4	14.5	16.0	18.5	71.7	4.8
Government	8.5	10.6	12.7	14.7	16.9	63.4	4.2
Banking & Financial	6.0	7.5	9.0	10.5	12.1	45.1	3.0
Other	38.7	45.9	54.7	66.0	79.0	284.3	19.1
TOTAL	\$ 93.2	\$ 112.8	\$ 135.5	\$ 160.7	\$ 190.0	\$ 692.2	46.4%
Software	2.0	3.2	4.5	5.8	7.1	22.6	1.5
Hardware <i>Term. & Mem's</i>	5.2	8.0	10.5	14.1	18.4	56.2	3.8%
TOTAL MARKETING	\$ 100.4	\$ 124.0	\$ 150.5	\$ 180.6	\$ 215.5	\$ 771.0	51.7%
Growth %	24%	24%	21%	20%	19%		
Data Services							
Tymnet	\$ 10.1	\$ 19.6	\$ 29.4	\$ 41.1	\$ 55.5	\$ 155.7	10.4%
Valcomp	5.0	5.9	7.3	8.3	9.4	35.9	2.4
Other <i>(incl. Munsinger)</i>	2.5	3.7	5.5	7.6	10.1	29.4	2.0
TOTAL DATA SERVICES	\$ 17.6	\$ 29.2	\$ 42.2	\$ 57.0	\$ 75.0	\$ 221.0	14.8
International	\$ 3.3	\$ 5.2	\$ 7.2	\$ 10.2	\$ 13.4	\$ 39.3	2.6
TOTAL CURRENT BASE	\$ 121.3	\$ 158.4	\$ 199.9	\$ 247.8	\$ 303.9	\$ 1031.3	69.1
Growth %	28%	30%	26%	24%	23%		
Acquisitions							
WSBA	\$ 19.0	\$ 21.0	\$ 23.0	\$ 26.0	\$ 30.0	\$ 119.0	8.0
Valcomp (XDS Inv.)	6.7	7.0	6.9	7.3	8.2	36.1	2.4
Other	12.0	32.0	57.0	86.0	118.0	305.0	20.5
TOTAL ACQUISITIONS	\$ 37.7	\$ 60.0	\$ 86.9	\$ 119.3	\$ 156.2	\$ 460.1	30.9%
TOTAL REVENUE	\$ 159.0	\$ 218.4	\$ 286.8	\$ 367.1	\$ 460.1	\$ 1491.4	100.0%
Internal Growth %	24%	25%	22%	21%	20%		
Other Acquisitions -- Amount Acquired in Year	\$ 12.0	\$ 20.0	\$ 20.0	\$ 20.0	\$ 20.0	\$ 92.0	

LARGER COMPUTER SERVICES COMPANIES

	<u>Tymshare</u> Dec	<u>Automatic</u> <u>Data</u> Jun + 1	<u>Natl CSS</u> Feb + 1	<u>On Line</u> Apr + 1	<u>Com-Sha</u> Jun +
<u>Revenue (000,000)</u>					
1972	\$27.1	\$98.1	\$16.7	\$6.3	\$8.5
1973	39.5	126.3	23.7	9.9	9.5
1974	52.6	159.1	32.6	11.4	12.3
1975	64.4	192.9	35.6	11.9	13.8
1976	81.8	245E	41.7	16.0	--
Increase	+27%	+27%	+17%	+34%	--
<u>Earnings Bef Tax</u>					
1972	2.10	17.5	1.85	1.11	.82
1973	4.38	23.2	2.81	2.88	.90
1974	6.71	27.8	3.52	2.35	1.51
1975	9.86	35.9	4.38	1.36	1.00
1976	13.16	46.1E	5.48	2.27	--
1976 Margin	16.1%	18.8%E	13.1%	14.2%	--
<u>Latest Quarter</u>					
Revenue	3/77	3/77	5/77	4/77	3/77
Pre tax	26.23	61.9	11.57	4.29	5.36
Margin	5.32	11.8	1.71	.578	.85
	20.3%	19.1%	14.8%	13.5%	15.9%
Rev Incr Prior Yr	12%	23%	14%	17%	51%
Rev Incr Prior Q	13.4%	6.9%	8.5%	9.7%	38.1%
<u>Latest Value</u>					
8/1 Price	21	27 1/2	22 5/8	19 5/8	6
Price Change 5/16	25%	5%	15%	11%	14%
12 Mos. EPS	1.58	1.49	2.92	1.56	.75
P/E	13.3X	18.5X	7.8X	12.6X	8.0X
Div. Rate	--	.40	.40	.20	--
Shs. Out.	4.34	14.2	1.146	.857	1.62
Agg. Value \$ Mil.	91	391	25.9	16.8	9.7

TYMSHARE, INC.
Q2 77 CONSOLIDATED BUDGET VARIANCE
 (000 Omitted)

STATEMENT OF INCOME

	SECOND QUARTER, 1977			SIX MONTHS, 1977		
	Actual	Budget	Favorable (Unfavorable) Variance	Actual	Budget	Favorable (Unfavorable) Variance
<u>REVENUE (Schedule)</u>	<u>\$23,747</u>	<u>\$23,463</u>	<u>\$ 284</u>	<u>\$49,982</u>	<u>\$49,595</u>	<u>\$ 387</u>
<u>OPERATING COSTS/EXPENSES</u>						
Payroll	8,627	8,410	(217)	17,944	18,021	77
Computer (1)	2,408	2,449	41	5,366	5,225	(141)
Telephone	1,382	1,446	64	2,848	2,826	(22)
Supplies	1,522	1,540	18	3,467	3,560	93
Occupancy	1,002	1,115	113	2,095	2,217	122
Outside Services	1,020	869	(151)	2,163	1,703	(460)
T & L	931	778	(153)	1,797	1,517	(280)
Cost of Sales/Rentals (2)	1,167	1,236	69	2,376	2,302	(74)
Other (3)	1,134	1,072	(62)	1,896	2,148	252
<u>Total Operating Costs</u>	<u>19,193</u>	<u>18,915</u>	<u>(278)</u>	<u>39,952</u>	<u>39,519</u>	<u>(433)</u>
<u>OPERATING PROFIT</u>	<u>4,554</u>	<u>4,548</u>	<u>6</u>	<u>10,030</u>	<u>10,076</u>	<u>(46)</u>
<u>INTEREST EXPENSE, NET</u>	<u>127</u>	<u>157</u>	<u>30</u>	<u>282</u>	<u>330</u>	<u>48</u>
<u>PRE-TAX PROFIT PER OPERATING BUDGETS</u>	<u>4,427</u>	<u>4,391</u>	<u>36</u>	<u>9,748</u>	<u>9,746</u>	<u>2</u>
<u>PERFORMANCE IMPROVEMENT GOAL</u>	<u>-0-</u>	<u>209</u>	<u>(209)</u>	<u>-0-</u>	<u>354</u>	<u>(354)</u>
<u>TOTAL PRE-TAX GOAL</u>	<u>4,427</u>	<u>4,600</u>	<u>(173)</u>	<u>9,748</u>	<u>10,100</u>	<u>(352)</u>
Pre-Tax Margin %	18.6%	19.6%	.7%	19.5%	20.4%	.7%
<u>TAX PROVISION</u>	<u>2,200</u>	<u>2,330</u>	<u>130</u>	<u>4,900</u>	<u>5,130</u>	<u>230</u>
<u>AFTER TAX PROFIT</u>	<u>\$ 2,227</u>	<u>\$ 2,270</u>	<u>\$ (43)</u>	<u>\$ 4,848</u>	<u>\$ 4,970</u>	<u>\$ (122)</u>
<u>EPS</u>	<u>\$.51</u>	<u>\$.51</u>	<u>\$ -0-</u>	<u>\$ 1.11</u>	<u>\$ 1.13</u>	<u>\$ (.02)</u>
<u>EPS SHARES</u>	<u>4,379</u>	<u>4,420</u>	<u>41</u>	<u>4,370</u>	<u>4,390</u>	<u>20</u>
<u>Total Depreciation Included Above</u>						
(1) Computer	\$ 883	\$ 645	\$(238)	\$ 1,782	\$ 1,276	\$(506)
(2) Cost of Sales/Rentals	204	177	(27)	362	348	(14)
(3) Other	261	343	82	514	685	171
	<u>\$ 1,348</u>	<u>\$ 1,165</u>	<u>\$(183)</u>	<u>\$ 2,658</u>	<u>\$ 2,309</u>	<u>\$(349)</u>

TYNSHARE, INC.
Q2 77 CONSOLIDATED BUDGET VARIANCE
 (000 Omitted)

REVENUE SUMMARY

	<u>SECOND QUARTER, 1977</u>			<u>SIX MONTHS, 1977</u>		
	<u>Actual</u>	<u>Budget</u>	<u>Favorable (Unfavorable) Variance</u>	<u>Actual</u>	<u>Budget</u>	<u>Favorable (Unfavorable) Variance</u>
<u>INFORMATION SERVICES</u>						
940	\$ 3,105	\$ 3,150	\$ (45)	\$ 6,301	\$ 6,450	\$(149)
10	4,896	4,900	(4)	9,388	9,495	(107)
370	3,767	3,640	127	6,982	6,990	(8)
Other	273	440	(167)	692	865	(173)
Total Service	<u>12,041</u>	<u>12,130</u>	<u>(89)</u>	<u>23,363</u>	<u>23,800</u>	<u>(437)</u>
Terminals	828	810	18	1,607	1,550	57
	<u>12,869</u>	<u>12,940</u>	<u>(71)</u>	<u>24,970</u>	<u>25,350</u>	<u>(380)</u>
<u>INDUSTRY SERVICES</u>						
Tax	3,553	2,955	598	10,611	9,963	648
Fuel	903	975	(72)	1,896	1,969	(73)
Medical	895	885	10	1,731	1,713	18
Other	2,297	2,193	104	4,536	4,246	290
	<u>7,648</u>	<u>7,008</u>	<u>640</u>	<u>18,774</u>	<u>17,891</u>	<u>883</u>
<u>DATA SERVICES</u>						
Tymnet	1,342	979	363	2,474	1,800	674
Valcomp	644	1,200	(556)	1,387	2,100	(713)
Other	444	490	(46)	936	980	(44)
	<u>2,430</u>	<u>2,669</u>	<u>(239)</u>	<u>4,797</u>	<u>4,880</u>	<u>(83)</u>
<u>INTERNATIONAL</u>						
C/T	395	414	(19)	723	788	(65)
TUK	249	280	(31)	469	480	(11)
T-T	76	33	43	116	39	77
Japan	(62)	1	(63)	(50)	(16)	(34)
	<u>658</u>	<u>728</u>	<u>(70)</u>	<u>1,258</u>	<u>1,291</u>	<u>(33)</u>
<u>TECHNICAL</u>						
	<u>142</u>	<u>118</u>	<u>24</u>	<u>183</u>	<u>183</u>	<u>-0-</u>
<u>TOTAL REVENUE</u>	<u>\$23,747</u>	<u>\$23,463</u>	<u>\$ 284</u>	<u>\$49,982</u>	<u>\$49,595</u>	<u>\$ 387</u>

TYMSHARE INC.
 PROFIT AND LOSS STATEMENT
 COMPUTING REMOTE DEVICES CONSOLIDATED
 MAY 31, 1977

SCHEDULE 231

	ACTUAL MONTH OF MAY 1977	BUDGET MONTH OF MAY 1977	BUDGET VAR UNDER + OVER -	ACTUAL JAN 1 1977 TO MAY 31 1977	BUDGET JAN 1 1977 TO MAY 31 1977	BUDGET VAR UNDER + OVER -
REVENUE						
PRODUCT REVENUE						
MAINTENANCE-SALE	\$		\$	\$ 1,000.00-		\$ 1,000.00
TOTAL REVENUE				1,000.00-		1,000.00
EXPENSES						
SALARIES & WAGES						
MANAGEMENT	13,410.44		13,410.44-	62,745.41		62,745.41-
SALARIED	37,783.50		37,783.50-	207,285.92		207,285.92-
HOURLY	654.33		654.33-	3,077.21		3,077.21-
COMMISSIONS-INCENTIVE	4,761.76		4,761.76-	5,471.26		5,471.26-
COMMISSIONS-MANAGEMENT				2,080.00		2,080.00-
TOTAL SALARIES WAGES	56,610.03		56,610.03-	280,659.80		280,659.80-
EMPLOYEE BENEFITS						
EMPLOYEE GROUP INSURANCE	796.13		796.13	1,400.50		1,400.50-
PAYROLL TAXES	3,459.02		3,459.02-	28,508.11		28,508.11-
TOTAL EMPLOYEE BENEFITS	2,662.89		2,662.89-	29,908.61		29,908.61-
OUTSIDE SERVICES						
SYSTEMS & PROGRAMMING	456.41		456.41-	531.41		531.41-
PRINTING				481.08		481.08-
OTHER	2,900.00		2,900.00-	2,900.00		2,900.00-
TOTAL OUTSIDE SERVICES	3,356.41		3,356.41-	3,912.49		3,912.49-
OCCUPANCY COSTS						
RENT	2,610.00		2,610.00-	14,463.75		14,463.75-
R & M				533.84		533.84-
TOTAL OCCUPANCY COST	2,610.00		2,610.00-	14,997.59		14,997.59-
SUPPLIES						
OFFICE SUPPLIES	33.67		33.67-	43.00		43.00-
GENERAL PARTS & SUPPLIES	37.96		37.96-	333.11		333.11-
MANUAL SUPPLIES	40.16		40.16-	266.54		266.54-
TOTAL SUPPLIES	111.79		111.79-	642.65		642.65-
EQUIPMENT RENTAL						
PROGRAM RENTALS	1,810.50		1,810.50-	28,370.02		28,370.02-
TRAVEL & LIVING						
TRAVEL EXPENSE	1,070.84		1,070.84-	4,060.78		4,060.78-
DAILY EXPENSE	416.76		416.76-	695.19		695.19-
MISCELLANEOUS EMPLOYEE EXPENS				111.00		111.00-
TOTAL TRAVEL & LIVING	1,487.60		1,487.60-	4,866.97		4,866.97-
TELEPHONE						

TYMSHARE INC.
 PROFIT AND LOSS STATEMENT
 COMPUTING REMOTE DEVICES CONSOLIDATED
 MAY 31, 1977

SCHEDULE 231

	ACTUAL MONTH OF MAY 1977	BUDGET MONTH OF MAY 1977	BUDGET VAR UNDER + OVER -	ACTUAL JAN 1 1977 TO MAY 31 1977	BUDGET JAN 1 1977 TO MAY 31 1977	BUDGET VAR UNDER + OVER -
OFFICE						
EMPLOYEE	\$ 109.31		\$ 109.31-	\$ 1,820.57		\$ 1,820.57-
TOTAL TELEPHONE	109.31		109.31-	526.60		526.60-
				2,347.17		2,347.17-
OTHER						
DUES & SUBSCRIPTIONS	38.00		38.00-	38.00		38.00-
GENERAL INSURANCE	651.70		651.70-	3,308.50		3,308.50-
PROPERTY TAXES	2,160.00		2,160.00-	10,935.00		10,935.00-
TOTAL OTHER	2,849.70		2,849.70-	14,281.50		14,281.50-
TOTAL OPERATING EXPENSES	71,608.23		71,608.23-	379,986.80		379,986.80-
EXPENSES-TAX						
TOTAL EXPENSES	71,608.23		71,608.23-	379,986.80		379,986.80-
NET PRE-TAX PROFIT	\$71,608.23		\$71,608.23-	\$378,986.80		\$378,986.80-