

## MOTOROLA INC.

Information Systems Group  
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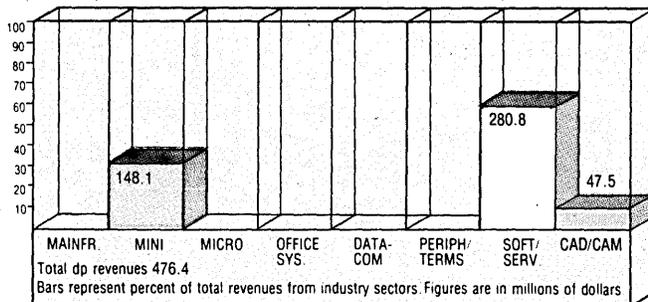
All eyes were focused on Motorola's soaring stock last year, as the semiconductor, communications, and dp equipment manufacturer scored a rousing success on Wall Street despite less than rousing financial returns. The 50% gain in the price of a Motorola share last year outdistanced by a large measure the company's economic performance—revenues were up 6% to \$3.8 billion, but net income declined 7% to \$170 million. The small but important dp operations were a crucial part of the company's earnings shortfall.

Four-Phase, Codex, Intelligent Systems, and other parts of the new Motorola Information Systems Group produced \$484.9 million in revenues last year, an 18% increase from 1981, but operating profits dropped 28% to \$31.1 million, according to company figures. Apparently it will be a while before Motorola has much to show for the \$253 million in stock it issued to purchase Four-Phase in March 1982—the company blamed Four-Phase for the drop in operating profits.

Total office automation revenues, the primary market for Four-Phase and the Information Systems Group, were up 18% to \$261 million. The Four-Phase product line consists of workstations, office automation cpus, and distributed data processing products. Sales of datacom gear, primarily modems, from the Codex subsidiary were up 17%, to \$210 million.

New products from Four-Phase followed the familiar path of OA equipment vendors trying to keep up with the micro-computer explosion—it announced a series of retrofit packages to convert its workstations into personal computers, with the addition of logic and disk storage modules. A new integrated OA system, including voice mail, touch-sensitive screen, broadband local area network, and advanced programming features, was also introduced as the Series 5000.

Lower-cost and higher-performance modems, an expanded line of intelligent network signal processors, and data switches for OA were introduced last year by Codex. Interestingly, several of the new Four-Phase and Codex products contained Motorola's new 16/32-bit microprocessor, the 68000, an indication that the integration of the recently acquired dp companies into the Motorola fold is gaining momentum.



## MCDONNELL DOUGLAS CORP.

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No longer can McDonnell Douglas Automation Company (MCAUTO) be considered primarily an internal service arm of its aerospace parent. In 1982, for the first time, more than half of MCAUTO's sales were to customers outside the MDC family of companies. And in light of the fact that commercial aircraft sales declined \$1 billion or 42% last year—a fact that caused MDC's total sales to slip 1% to \$7.3 billion—the corporation was especially proud to report high growth rates for both MCAUTO and MDC's other dp revenue producer, Microdata.

Dp revenues from commercial sales hit \$476.4 million last year, up 37% from the prior year's total of \$347.2 million. Total dp revenues, including sales to internal divisions, were \$747.9 million. While MDC doesn't break out profits by divisions, corporate officials have conceded that 1982 dp earnings dropped below 1981 levels.

Last year MCAUTO's commercial revenues were \$328.3 million, up 45% from the \$226.7 million reported in 1981. Among product lines achieving rapid growth was Unigraphics, the company's CAD/CAM system, which recorded sales of \$47.5 million in 1982, up substantially from 1981's \$31.2 million. MCAUTO beefed up its CAD/CAM marketing overseas; had increased sales in the U.K., Austria, and West Germany; and made its first CAD/CAM sales in India and France. Sales of computer services to health care institutions provided another \$133 million to MCAUTO's total.

With the claim to fame of serving one out of every six hospitals in the U.S., MCAUTO last year announced two new products for this market. RxCom is a standalone pharmacy management system, and LabCom+ provides a communications link with nursing units, critical care areas, admissions, and other hospital areas. Last May, MCAUTO was chosen by the Department of Health of the Republic of Ireland to provide information systems to its hospitals.

By year-end, MCAUTO had a new man at the helm. Robert A. Fischer was brought in as president and chief executive officer. He previously headed Dun & Bradstreet's remote computer services division, National CSS, and before that had worked at IBM for 18 years. With 1983 to go on record as his first full year at the controls, Fischer is expected to throw open the throttle for even greater commercial selling this year.

Microdata also had a successful 1982, with commercial sales rising 23% to \$148.1 million from the prior year's \$120.5 million. The company further refined and enhanced its Reality small business computer system, first introduced in 1974, and shipped 939 systems in 1982. This raised the total number of installed systems to 6,997 at year-end. Among new Reality purchasers were the Marriott Corp. and BMW of North America.