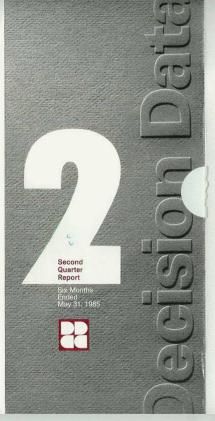
400 Horsham Road Horsham, PA 19044-0996 Address Correction Requested



Dear Shareholder:

Dear Staterinotics At a time when the economic climate for the mainframe computer manufacturers is seriously eroding their revenues and net income, we are pleased to announce that net income for the second quarter increased 24%, with a concurrent 26% rise in revenues for the second quarter period ended May 31, 1985.

period ended May 31, 1985. Revenues were \$42,914,000, compared to \$33,951,000 in 1984. Income (before income taxes) was \$3,627,000 as compared to \$2,995,000 reported in 1984. Net income was \$2,220,000, or \$2.20 per share, a 24% increase over the \$1,795,000, or \$2.20 per share earned in last year's second quarter. It should be noted that the average number of shares outstanding rose to 9,454,000 from 7,787,000, as a result of your Company's common stock offering in February, 1985.

Six Month Results

SIX Month Results
Revenues increased 29% to \$85,936,000, from
\$68,846,000 in the first six months of 1984. Income
(before income taxes) for the same period improved by
37%, rising to \$8,002,000, compared to \$5,855,000 in
1984. Net Income improved by 39%, \$48,01,000, or \$55
per share, versus \$3,454,000, or \$.44 per share last year.

A Slight Dip

A Siight Up
As we had projected, revenues for the second quarter
were slightly lower than in the first quarter. While man
mainframe computer manufacturers are generally report
ing significantly lower sales and earnings, your Company
had only a slight of pin second quarter revenues
compared to the first quarter. There was a decline in
backlog of 12%; \$26,100,000 compared to \$29,600,000
reported on May 31, 1984.

reported on May 31, 1984. While the computer industry's much-publicized meliaise has limited the sale of mainframe computers, it has also had some effect on your Company's sales. Nonetheless, it presents us with a unique opportunity, because our peripherals offer computer-systems managers more products, to the computer of the comput

Subsidiary Operations

Subsidiary Operations
Second quarter results were improved substantially by an increase in revenues from our international operations, particularly in France and Germany Decision Data particularly particularly in France and Germany Decision Data particularly also continues to demonstrate its ability to increase both revenues and profitability.

Sincerely.

Sincerely.

Sincerely.

Richard J. Schineller Decision and Subsidiaries

Consolidated Statements of Operations

(\$000 Omitted Except Per Share Amounts) (Unaudited)	For the Three Months Ended		For the Six Months Ended	
	May 31, 1985	May 31, 1984(1)	May 31, 1985	May 31, 1984(1)
Revenues: Net sales Maintenance Rentals	\$30,376 10,689 824	\$23,800 8,060 1,153	\$62,241 20,006 1,766	\$46,995 15,615 2,239
Other income	1,025	938	1,923	1,997
	42,914	33,951	85,936	66,846
Cost and Expenses: Cost of revenues: Net sales Maintenance Rentals	16,257 8,865 275	13,596 6,778 240	33,719 16,576 647	26,798 13,361 610
Engineering, design and product development costs Selling, general and	2,138	1,579	4,051	3,036
administrative expenses Interest expense	11,683 69	8,695 68	22,776 165	17,053
	39,287	30,956	77.934	60,991
Income Before Income Taxes Provision for income taxes	3,627 1,407	2,995 1,200	8,002 3,201	5,855 2,401
Net Income	\$ 2,220	\$ 1,795	\$ 4,801	\$ 3,454
Earnings Per Common Share(2); Net income	\$.23	\$.23	\$.55	\$.44

Consolidated Balance Sheets

(\$000 Omitted)	May 31, 1985	November 30 1984(1)	
Assets	(Unaudited)		
Current Assets:			
Cash and cash equivalents	\$ 18,076	\$ 5,067	
Receivables, net of reserves	29,439	25,010	
Inventories, net of reserves	41,008	36,968	
Prepaid expenses	1,154	1,268	
Deferred income taxes	4,701	4,083	
Other current assets	1,293	978	
Total current assets	95,671	73,37	
Long-Term Receivables	3,508	3,30	
Rental Equipment, at cost, less accumulated depreciation of \$8,635 in 1985 and \$9,689 in 1984	2,506	2,423	
Property, at cost			
Tooling	1,578	1,288	
Machinery and equipment	13,954	8,638	
Furniture, fixtures and leasehold improvements	4,448	3,532	
	19,980	13,458	
Less accumulated depreciation and amortization	(6,952)	(5,964	
	13,028	7,49	
Other Assets	450	379	
	\$115,163	\$86,965	
Liabilities and Shareholders' Equity		The state of the s	
Current Liabilities:			
Notes payable to banks	\$ 3,004	\$ (
Current portion of long-term debt	351	324	
Accounts payable	6,730	12,44	
Accrued expenses	11,373	12,32	
Deferred revenues	2,472	1,659	
Income taxes	5,302	5,873	
Total current liabilities	29,232	32,62	
Long-Term Debt	1,271	1,28	
Deferred Income Taxes	1,660	1,55	
Shareholders' Equity: Common stock, \$.10 per value, authorized 20,000,000 shares, issued 9,389,322 shares in 1985 and			
7,843,959 shares in 1984	939	784	
Additional paid-in capital	64,358	37,830	
Retained earnings	18,554	13,750	
Less common shares held in treasury, at cost:			
46,638 shares in 1985 and 46,197 shares in 1984	(329)	(32:	
Foreign currency translation adjustment	(522)	(539	
Total shareholders' equity	83,000	51,506	

Restant to conform with current classifications.

Earnings per common share have been computed based on the weighted sverage number of shares outstanding during the periods plus the equivalent shares that would result from the exercise of dilutive stock options, stock purchase warrants and stock oppositions rights.