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 Address Correction Requested



**Decision
 Data
 Computer
 Corporation®**

Dear Shareholder:

Revenues for the first quarter ended February 28, 1986 were \$45,078,000, a 5% increase over revenues of \$42,947,000 reported for the first quarter of 1985. Net income for the first quarter of 1985 was \$857,000, or \$.10 a share, compared to the \$2,581,000, or \$.32 a share reported for the corresponding period of 1985.

The weighted average number of shares increased to 9,387,000 from 8,162,000 as a result of a common stock public offering in February of 1985. Backlog held firm at \$25,000,000 for February 28, 1986, equal to backlog at November 30, 1985.

Your Company's involvement in new business opportunities has continued to require investment and consequently impact profits as we develop and prepare to market the products and services that will carry Decision Data into the 1990's.

New Products

Two new products were introduced during the first quarter, the 3781 workstation and the Memory Xtender36 memory expansion module. A component supply problem with the 3781 workstation kept us from meeting the strong demand for this new product, but the problem has been rectified and we have begun to ship the 3781 in volume.

Acquisitions

Your Company recently completed two acquisitions integral to our strategy of developing industry specific products, services and software. Decision Beverage Systems Corporation, which supplies turnkey systems and application software to the wholesale beverage industry with over 300 systems currently installed and supported nationwide, was formed from a division purchased from En-data, Inc.

Decision Data also acquired Jones Business Systems, Inc. of Houston, Texas and will utilize the technical resources, physical assets and management expertise of this operation to increase the penetration of the Texas instrument system marketplace by Decision Data Service, Inc.

Outlook

It is important to note that while the IBM middle market continues to appear weak, our pre-tax income of \$1,507,000 for the first quarter of 1986 represented a 26% increase over fourth quarter 1985 pre-tax income of \$1,195,000. We expect our operating results to show continued improvement on a quarterly basis through the balance of fiscal 1986.

Sincerely,

Richard J. Schineller
 President and
 Chief Executive Officer
 April 15, 1986

First Quarter Report

Decision Data Computer
 Corporation and Subsidiaries

Consolidated Statements of Operations

(\$000 Omitted except per share amounts)
 (Unaudited)

	For the Three Months Ended	
	February 28, 1986	February 28, 1985*
Revenues		
Net sales	\$30,836	\$31,865
Maintenance	13,254	9,317
Other income	988	1,765
	45,078	42,947
Cost and Expenses:		
Cost of revenues		
Net sales	18,004	17,462
Maintenance	10,728	7,711
Other	322	372
Engineering and development costs	2,322	1,913
Selling, general and administrative expenses	12,279	11,093
Interest (income) expense, net	(84)	21
	43,571	38,572
Income Before Income Taxes	1,507	4,375
Provision for income taxes	550	1,794
Net Income	\$ 957	\$ 2,581
Earnings Per Common Share**		
Net Income	\$.10	\$.32

*Revised to conform with current classifications.
 **Earnings per common share have been computed based on the weighted average number of shares outstanding during the periods plus the equivalent shares that would result from the exercise of dilutive stock options and stock appreciation rights.

Consolidated Balance Sheets

(\$000 Omitted)

	February 28, 1986	November 30, 1985
	(Unaudited)	
Assets		
Current Assets:		
Cash (including \$11,483 in 1986 and \$10,470 in 1985 of marketable securities)	\$ 20,281	\$ 20,375
Receivables, net of reserves	33,600	31,588
Inventories, net of reserves	41,017	41,770
Prepaid expenses	1,598	1,162
Deferred income taxes	5,677	5,509
Other current assets	1,339	2,445
Total current assets	103,512	102,849
Long-Term Receivables	2,648	2,958
Rental Equipment , at cost, less accumulated depreciation of \$6,502 in 1986 and \$7,073 in 1985	1,729	1,990
Property and Equipment	13,767	13,013
Software	4,038	3,794
Other Assets	540	514
	\$126,234	\$125,118
Liabilities and Shareholders' Equity		
Current Liabilities:		
Notes payable to banks	\$ 4,414	\$ 3,961
Current portion of long-term debt	347	360
Accounts payable	9,587	10,321
Accrued expenses	9,288	11,152
Deferred revenues	5,135	3,187
Income taxes	6,626	5,907
Total current liabilities	35,397	34,888
Long-Term Debt	1,257	1,268
Deferred Income Taxes	2,210	2,181
Shareholders' Equity:		
Common stock, \$.10 par value, authorized 20,000,000 shares, issued 9,473,269 shares in 1986 and 9,420,597 shares in 1985	948	942
Additional paid-in capital	64,931	64,409
Retained earnings	22,544	21,587
Less common shares held in treasury, at cost: 124,487 shares in 1986 and 50,413 shares in 1985	(1,178)	(378)
Less: deferred compensation	(492)	—
Foreign currency translation adjustment	617	221
Total shareholders' equity	87,370	86,781
	\$126,234	\$125,118