SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

SCHEDULE 14D-1
TENDER OFFER STATEMENT PURSUANT TO SECTION 14(d)(1)
OF THE SECURITIES EXCHANGE ACT OF 1934
AND
SCHEDULE 13D
UNDER THE SECURITIES EXCHANGE ACT OF 1934

SCS/COMPUTE, INC.
(NAME OF SUBJECT COMPANY)

SCS SUBSIDIARY, INC.,
THOMSON U.S. HOLDINGS INC.
AND
THE THOMSON CORPORATION
(BIDDERS)

COMMON STOCK, $.10 PAR VALUE
(TITLE OF CLASS OF SECURITIES)

784030 10 8
(CUSIP NUMBER OF CLASS OF SECURITIES)

MICHAEL S. HARRIS, ESQ.
THE THOMSON CORPORATION
METRO CENTER AT ONE STATION PLACE
STAMFORD, CONNECTICUT 06902
(NAME, ADDRESS AND TELEPHONE NUMBER OF
PERSON AUTHORIZED TO RECEIVE NOTICES
AND COMMUNICATIONS ON BEHALF OF BIDDERS)

COPY TO:
DAVID W. HELENIAK, ESQ.
SHEARMAN & STERLING
599 LEXINGTON AVENUE
NEW YORK, NEW YORK 10022
TELEPHONE: (212) 848-4000

December 27, 1995

CALCULATION OF FILING FEE

Transaction Valuation*	Amount of Filing Fee
$18,238,344.00	$3,647.67

/ / Check box if any part of the fee is offset as provided by Rule 0-11(a)(2) and identify the filing with which the offsetting fee was previously paid. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

Amount Previously Paid: _____
Form or Registration No.: _____
Filing Party: _____
Date Filed: _____

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* Calculated by multiplying $6.75, the per share tender offer price, by 2,701,977, the sum of (i) the 2,571,977 shares of Common Stock outstanding and (ii) the 130,000 shares of Common Stock subject to options outstanding.

CUSIP No. 784030 10 8

1.	Name of Reporting Persons S.S. or I.R.S. Identification Nos. of Above Person SCS SUBSIDIARY, INC.
2.	Check the Appropriate Box if a Member of Group (a) / / (b) / /
3.	SEC Use only
4.	Sources of Funds WC
5.	Check if Disclosure of Legal Proceedings is Required Pursuant to Item 2(d) or 2(f) / /
6.	Citizen or Place of Organization Delaware
7.	Aggregate Amount Beneficially Owned by Each Reporting Person 1,082,570 Shares which may be deemed beneficially owned pursuant to the Stock Purchase Agreement described herein.
8.	Check if the Aggregate Amount if Row (7) Excludes Certain Shares / /
9.	Percent of Class Represented by Amount in Row (7) 40.1%
10.	Type of Reporting Person CO

CUSIP No. 784030 10 8

1.	Name of Reporting Persons S.S. or I.R.S. Identification Nos. of Above Person THOMSON U.S. HOLDINGS INC.
2.	Check the Appropriate Box if a Member of Group (a) / / (b) / /
3.	SEC Use Only
4.	Sources of Funds WC
5.	Check if Disclosure of Legal Proceedings is Required Pursuant to item 2(e) or 2(f) / /
6.	Citizen or Place of Organization Delaware
7.	Aggregate Amount Beneficially Owned by Each Reporting Person 1,082,570 Shares which may be deemed beneficially owned pursuant to the Stock Purchase Agreement described herein.
8.	Check if the Aggregate Amount if Row (7) excludes Certain Shares / /
9.	Percent of Class Represented by Amount in Row (7) 40.1%
10.	Type of Reporting Person CO

CUSIP No. 784030 10 8

1.	Name of Reporting Persons S.S. or I.R.S. Identification Nos. of Above Person THE THOMSON CORPORATION
2.	Check the Appropriate Box if a Member of Group (a) / / (b) / /
3.	SEC Use only
4.	Sources of Funds WC
5.	Check if Disclosure of Legal Proceedings is Required Pursuant to Item 2(d) or 2(f) / /
6.	Citizen or Place of Organization Ontario, Canada
7.	Aggregate Amount Beneficially Owned by Each Reporting Person 1,082,570 Shares which may be deemed beneficially owned pursuant to the Stock Purchase Agreement described herein.
8.	Check if the Aggregate Amount if Row (7) Excludes Certain Shares / /
9.	Percent of Class Represented by Amount in Row (7) 40.1%
10.	Type of Reporting Person CO

This Tender Offer Statement on Schedule 14D-1 and Schedule 13D (the "Statement") relates to the offer by SCS Subsidiary, Inc., a Delaware corporation ("Purchaser") and a direct wholly owned subsidiary of Thomson U.S. Holdings Inc., a Delaware corporation ("Parent") and an indirect wholly owned subsidiary of The Thomson Corporation, a corporation organized under the laws of Ontario, Canada ("TTC"), to purchase all outstanding shares of Common Stock, par value $.10 per share (the "Shares"), of SCS/Compute, Inc., a Delaware corporation (the "Company"), at a price of $6.75 per Share, net to the seller in cash, upon the terms and subject to the conditions set forth in Purchaser's Offer to Purchase dated December 27, 1995 (the "Offer to Purchase") and in the related Letter of Transmittal (which together constitute the "Offer"), copies of which are attached hereto as Exhibits (a)(1) and (a)(2), respectively.

ITEM 1. SECURITY AND SUBJECT COMPANY.

(a) The name of the subject company is SCS/Compute, Inc., a Delaware corporation (the "Company"), which has its principal executive offices at 2252 Welsch Industrial Court, St. Louis, Missouri 63146.

(b) The class of equity securities being sought is all the outstanding shares of Common Stock, par value $.10 per share, of the Company. The information set forth in the "Introduction" and Section 1 ("Terms of the Offer; Expiration Date") of the Offer to Purchase is incorporated herein by reference.

(c) The information concerning the principal market in which the Shares are traded and certain high and low sales prices for the Shares in such principal market set forth in Section 6 ("Price Range of Shares; Dividends") of the Offer to Purchase is incorporated herein by reference.

ITEM 2. IDENTITY AND BACKGROUND.

(a)-(d) and (g) This Statement is filed by Purchaser, Parent and TTC. The information concerning the name, state or other place of organization, principal business and address of the principal office of each of Purchaser, Parent and TTC and the information concerning the name, business address, present principal occupation or employment and the name, principal business and address of any corporation or other organization in which such employment or occupation is conducted, material occupations, positions, offices or employments during the last five years and citizenship of each of the executive officers and directors of Purchaser, Parent and TTC are set forth in the "Introduction", Section 8 ("Certain Information Concerning Purchaser, Parent and TTC") and Schedule I of the Offer to Purchase and are incorporated herein by reference.

(e) and (f) During the last five years, neither Purchaser, Parent nor TTC, and, to the best knowledge of Purchaser, Parent and TTC none of the persons listed in Schedule I of the Offer to Purchase has been (i) convicted in a criminal proceeding (excluding traffic violations or similar misdemeanors) or (ii) a party to a civil proceeding of a judicial or administrative body of competent jurisdiction and as a result of such proceeding was or is subject to a judgment, decree or final order enjoining future violations of, or prohibiting activities subject to, federal or state securities laws or finding any violation of such laws.

ITEM 3. PAST CONTACTS, TRANSACTIONS OR NEGOTIATIONS WITH THE SUBJECT COMPANY.

(a) The information set forth under Section 8 ("Certain Information Concerning Purchaser, Parent and TTC") and Section 10 ("Background of the Offer; Contacts with the Company; the Merger Agreement; the Stock Purchase Agreement and Related Agreements") of the Offer to Purchase is incorporated herein by reference.

(b) The information set forth under "Introduction", Section 7 ("Certain Information Concerning the Company"), Section 8 ("Certain Information Concerning Purchaser, Parent and TTC") and Section 10 ("Background of the Offer; Contacts with the Company; the Merger Agreement; the Stock Purchase Agreement and Related Agreements") of the Offer to Purchase is incorporated herein by reference.

ITEM 4. SOURCE AND AMOUNT OF FUNDS OR OTHER CONSIDERATION.

(a)-(c) The information set forth under Section 9 ("Financing of the Offer and the Merger") of the Offer to Purchase is incorporated herein by reference.

ITEM 5. PURPOSE OF THE TENDER OFFER AND PLANS OR PROPOSALS OF THE BIDDER.

(a)-(e) The information set forth under "Introduction", Section 10 ("Background of the Offer; Contacts with the Company; the Merger Agreement; the Stock Purchase Agreement and Related Agreements") and Section 11 ("Purpose of the Offer; Plans for the Company After the Offer and the Merger") of the Offer to Purchase is incorporated herein by reference.

(f) and (g) The information set forth under Section 11 ("Purpose of the Offer; Plans for the Company After the Offer and the Merger") and Section 13 ("Effect of the Offer on the Market for Shares; NASDAQ Quotation and Exchange Act Registration") of the Offer to Purchase is incorporated herein by reference.

ITEM 6. INTEREST IN SECURITIES OF THE SUBJECT COMPANY.

(a) and (b) The information set forth under Section 8 ("Certain Information Concerning Purchaser, Parent and TTC") of the Offer to Purchase is incorporated herein by reference.

ITEM 7. CONTRACTS, ARRANGEMENTS, UNDERSTANDINGS OR RELATIONSHIPS WITH RESPECT TO THE SUBJECT COMPANY'S SECURITIES.

The information set forth under "Introduction", Section 8 ("Certain Information Concerning Purchaser, Parent and TTC"), Section 10 ("Background of the Offer; Contacts with the Company; the Merger Agreement; the Stock Purchase Agreement and Related Agreements") of the Offer to Purchase is incorporated herein by reference.

ITEM 8. PERSONS RETAINED, EMPLOYED OR TO BE COMPENSATED.

The information set forth under "Introduction" and Section 16 ("Fees and Expenses") of the Offer to Purchase is incorporated herein by reference.

ITEM 9. FINANCIAL STATEMENTS OF CERTAIN BIDDERS.

The information set forth under Section 8 ("Certain Information Concerning Purchaser, Parent and TTC") of the Offer to Purchase is incorporated herein by reference. The financial statements of TTC are attached herein as Exhibit (a)(8).

ITEM 10. ADDITIONAL INFORMATION.

(a) Not applicable.

(b) and (c) The information set forth under Section 15 ("Certain Legal Matters and Regulatory Approvals") of the Offer to Purchase is incorporated herein by reference.

(d) The information set forth under Section 13 ("Effect of the Offer on the Market for the Shares, NASDAQ Quotation and Exchange Act Registration") of the Offer to Purchase is incorporated herein by reference.

(e) Not applicable.

(f) The information set forth in the Offer to Purchase, the Letter of Transmittal, the Agreement and Plan of Merger, dated as of December 19, 1995, among Parent, Purchaser and the Company, and the Stock Purchase Agreement, dated as of December 19, 1995, between Parent, Purchaser and Robert W. Nolan, Sr., copies of which are attached hereto as Exhibits (a)(1), (a)(2), (c)(1) and (c)(2), respectively, is incorporated herein by reference.

ITEM 11. MATERIAL TO BE FILED AS EXHIBITS.

(a)(1) Form of Offer to Purchase dated December 27, 1995.
(a)(2) Form of Letter of Transmittal.
(a)(3) Form of Notice of Guaranteed Delivery.
(a)(4) Form of Letter from Purchaser to Brokers, Dealers, Commercial Banks, Trust Companies and Other Nominees.
(a)(5) Form of Letter from Brokers, Dealers, Commercial Banks, Trust Companies and Nominees to Clients.
(a)(6) Form of Guidelines for Certification of Taxpayer Identification Number on Substitute Form W-9.
(a)(7) Summary Advertisement as published in The Wall Street Journal on December 27, 1995.
(a)(8) Press Release issued by the Company on December 20, 1995.
(a)(9) Consolidated Financial Statements of TTC as set forth in TTC's 1994 Annual Report to Shareholders.
(c)(1) Agreement and Plan of Merger, dated as of December 19, 1995, among Parent, Purchaser and the Company.
(c)(2) Stock Purchase Agreement, dated as of December 19, 1995, among Parent, Purchaser and Robert W. Nolan, Sr.
(c)(3) Form of Employment Agreement between the Company and Robert W. Nolan, Sr., including, as an exhibit thereto, the form of Consulting Agreement between the Company and Robert W. Nolan, Sr.
(d) None.
(e) Not applicable.
(f) None.

After due inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

SCS SUBSIDIARY, INC.

Dated: December 27, 1995

By /s/ NIGEL R. HARRISON

Name: Nigel R. Harrison
Title: Treasurer

After due inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

THOMSON U.S. HOLDINGS INC.

Dated: December 27, 1995

By /s/ NIGEL R. HARRISON

Name: Nigel R. Harrison
Title: Executive Vice President

After due inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

THE THOMSON CORPORATION

Dated: December 27, 1995

By /s/ NIGEL R. HARRISON

Name: Nigel R. Harrison
Title: Executive Vice President

EXHIBIT INDEX

OFFER TO PURCHASE FOR CASH

ALL OUTSTANDING SHARES OF COMMON STOCK
OF

SCS/COMPUTE, INC.
AT

$6.75 NET PER SHARE
BY

SCS SUBSIDIARY, INC.,
A DIRECT WHOLLY OWNED SUBSIDIARY OF

THOMSON U.S. HOLDINGS INC.,
AN INDIRECT WHOLLY OWNED SUBSIDIARY OF

THE THOMSON CORPORATION

THE OFFER AND WITHDRAWAL RIGHTS WILL EXPIRE AT 12:00 MIDNIGHT, NEW YORK CITY TIME, ON THURSDAY, JANUARY 25, 1996 UNLESS THE OFFER IS EXTENDED.

THE OFFER IS CONDITIONED UPON, AMONG OTHER THINGS, THERE BEING VALIDLY TENDERED AND NOT WITHDRAWN PRIOR TO THE EXPIRATION OF THE OFFER AT LEAST THE NUMBER OF SHARES THAT WHEN ADDED TO THE NUMBER OF SHARES TO BE PURCHASED BY PURCHASER PURSUANT TO THE STOCK PURCHASE AGREEMENT SHALL CONSTITUTE A MAJORITY OF THE SHARES OUTSTANDING ON A FULLY DILUTED BASIS. THE OFFER IS ALSO CONDITIONED UPON, AMONG OTHER THINGS, THE EXPIRATION OR TERMINATION OF THE APPLICABLE ANTITRUST WAITING PERIOD.

THE BOARD OF DIRECTORS OF SCS/COMPUTE, INC. (THE "COMPANY") HAS DETERMINED THAT EACH OF THE OFFER AND THE MERGER IS FAIR TO, AND IN THE BEST INTERESTS OF, THE STOCKHOLDERS OF THE COMPANY AND RECOMMENDS THAT STOCKHOLDERS ACCEPT THE OFFER AND TENDER THEIR SHARES PURSUANT TO THE OFFER.

IMPORTANT

Any stockholder desiring to tender all or any portion of his or her shares of Common Stock, par value $.10 per share, of the Company (the "Shares") should either (1) complete and sign the Letter of Transmittal (or a facsimile thereof) in accordance with the instructions in the Letter of Transmittal and mail or deliver it together with the certificate(s) evidencing tendered Shares, and any other required documents, to the Depositary or tender such Shares pursuant to the procedure for book-entry transfer set forth in Section 3 or (2) request his or her broker, dealer, commercial bank, trust company or other nominee to effect the transaction for him or her. Any stockholder whose Shares are registered in the name of a broker, dealer, commercial bank, trust company or other nominee must contact such broker, dealer, commercial bank, trust company or other nominee if he or she desires to tender such Shares.

A stockholder who desires to tender Shares and whose certificates evidencing such Shares are not immediately available, or who cannot comply with the procedure for book-entry transfer on a timely basis, may tender such Shares by following the procedure for guaranteed delivery set forth in Section 3.

Questions or requests for assistance may be directed to the Information Agent at its address and telephone number set forth on the back cover of this Offer to Purchase. Additional copies of this Offer to Purchase, the Letter of Transmittal and the Notice of Guaranteed Delivery may also be obtained from the Information Agent or from brokers, dealers, commercial banks or trust companies.

December 27, 1995

TABLE OF CONTENTS

To the Holders of Common Stock of
SCS/COMPUTE, INC.

INTRODUCTION

SCS SUBSIDIARY, INC., a Delaware corporation ("Purchaser") and a direct wholly owned subsidiary of THOMSON U.S. HOLDINGS INC., a Delaware corporation ("Parent") and an indirect wholly owned subsidiary of THE THOMSON CORPORATION, a corporation organized under the laws of Ontario, Canada ("TTC"), hereby offers to purchase all outstanding shares of common stock, par value $.10 per share (the "Shares"), of SCS/COMPUTE, INC., a Delaware corporation (the "Company"), at a price of $6.75 per Share, net to the seller in cash, upon the terms and subject to the conditions set forth in this Offer to Purchase and in the related Letter of Transmittal (which together constitute the "Offer").

Tendering stockholders will not be obligated to pay brokerage fees or commissions or, except as otherwise provided in Instruction 6 of the Letter of Transmittal, stock transfer taxes with respect to the purchase of Shares by Purchaser pursuant to the Offer. Purchaser will pay all charges and expenses of Chemical Mellon Shareholder Services, L.L.C. (the "Depositary") and Georgeson & Company Inc. (the "Information Agent") incurred in connection with the Offer. See Section 16.

THE BOARD OF DIRECTORS OF THE COMPANY (THE "BOARD") HAS DETERMINED THAT EACH OF THE OFFER AND THE MERGER (AS DEFINED BELOW) IS FAIR TO, AND IN THE BEST INTERESTS OF, THE STOCKHOLDERS OF THE COMPANY, AND RECOMMENDS THAT STOCKHOLDERS ACCEPT THE OFFER AND TENDER THEIR SHARES PURSUANT TO THE OFFER.

Fister & Associates, Inc. ("Fister"), the Company's financial advisor, has delivered to the Board its written opinion to the effect that, as of the date of such opinion, the Offer and the Merger were fair, from a financial point of view, to the stockholders of the Company. A copy of the opinion of Fister, which sets forth the assumptions made, matters considered and limitations on the review undertaken by Fister, is contained in the Company's Solicitation/Recommendation Statement on Schedule 14D-9 (the "Schedule 14D-9"), which is being mailed to stockholders herewith.

THE OFFER IS CONDITIONED UPON, AMONG OTHER THINGS, THERE BEING VALIDLY TENDERED AND NOT WITHDRAWN PRIOR TO THE EXPIRATION OF THE OFFER AT LEAST THE NUMBER OF SHARES THAT WHEN ADDED TO THE NUMBER OF SHARES TO BE PURCHASED BY PURCHASER PURSUANT TO THE STOCK PURCHASE AGREEMENT CONSTITUTE A MAJORITY OF THE SHARES THEN OUTSTANDING ON A FULLY DILUTED BASIS (THE "MINIMUM CONDITION"). THE OFFER IS ALSO CONDITIONED UPON, AMONG OTHER THINGS, THE EXPIRATION OR TERMINATION OF THE APPLICABLE ANTITRUST WAITING PERIOD. SEE SECTION 14, WHICH SETS FORTH IN FULL THE CONDITIONS TO THE OFFER.

The Offer is being made pursuant to the Agreement and Plan of Merger, dated as of December 19, 1995 (the "Merger Agreement"), among Parent, Purchaser and the Company. The Merger Agreement provides that, among other things, as soon as practicable after the purchase of Shares pursuant to the Offer and the satisfaction of the other conditions set forth in the Merger Agreement and in accordance with the relevant provisions of the General Corporation Law of the State of Delaware ("Delaware Law"), Purchaser will be merged with and into the Company (the "Merger"). Following consummation of the Merger, the Company will continue as the surviving corporation (the "Surviving Corporation") and will become a direct wholly owned subsidiary of Parent. At the effective time of the Merger (the "Effective Time"), each Share issued and outstanding immediately prior to the Effective Time (other than Shares held in the treasury of the Company or owned by Purchaser, Parent or any direct or indirect wholly owned subsidiary of Parent, and other than Shares held by stockholders who shall have demanded and perfected appraisal rights, if any, under Delaware Law) will be cancelled and converted automatically into the right to receive $6.75 in cash, or any

higher price that may be paid per Share in the Offer, without interest (the "Merger Consideration"). The Merger Agreement is more fully described in Section 10.

Simultaneously with entering into the Merger Agreement, Purchaser, Parent and Robert W. Nolan, Sr., President and Chief Executive Officer of the Company (the "Stockholder"), entered into a Stock Purchase Agreement, dated as of December 19, 1995 (the "Stock Purchase Agreement"), pursuant to which, upon the terms and conditions set forth therein, the Stockholder agreed to sell to Purchaser all Shares owned by the Stockholder for a purchase price per Share equal to the price per Share payable in the Offer. On December 19, 1995, the Stockholder owned (either beneficially or of record) 1,082,570 Shares constituting approximately 40.1% of the outstanding Shares on a fully diluted basis. The Stock Purchase Agreement is more fully described in Section 10.

The Merger Agreement provides that, promptly upon the purchase by Purchaser of Shares pursuant to the Offer and from time to time thereafter, Purchaser shall be entitled to designate up to such number of directors, rounded up to the next whole number, on the Board as will give Purchaser representation on the Board equal to the product of the total number of directors on the Board multiplied by the percentage that the aggregate number of Shares then beneficially owned by Purchaser and its affiliates following such purchase bears to the total number of Shares then outstanding. In the Merger Agreement, the Company has agreed to take all actions necessary to cause Purchaser's designees to be elected as directors of the Company, including increasing the size of the Board or securing the resignations of incumbent directors or both.

The consummation of the Merger is subject to the satisfaction or waiver of certain conditions, including the approval and adoption of the Merger Agreement by the requisite vote of the stockholders of the Company. See Section 11. Under the Company's Certificate of Incorporation and Delaware Law, the affirmative vote of the holders of a majority of the outstanding Shares is required to approve and adopt the Merger Agreement and the Merger. Consequently, if Purchaser acquires (pursuant to the Offer or otherwise) at least a majority of the outstanding Shares, Purchaser will have sufficient voting power to approve and adopt the Merger Agreement and the Merger without the vote of any other stockholder.

Under Delaware Law, if Purchaser acquires, pursuant to the Offer or otherwise, at least 90% of the then outstanding Shares, Purchaser will be able to approve and adopt the Merger Agreement and the transactions contemplated thereby, including the Merger, without a vote of the Company's stockholders. In such event, all necessary and appropriate action will be taken to cause the Merger to become effective as soon as reasonably practicable after such acquisition, without a meeting of the Company's stockholders. If, however, Purchaser does not acquire at least 90% of the then outstanding Shares pursuant to the Offer or otherwise and a vote of the Company's stockholders is required under Delaware Law, a significantly longer period of time will be required to effect the Merger. See Section 11.

The Company has advised Purchaser that as of December 19, 1995, 2,571,977 Shares were issued and outstanding, 130,000 Shares were reserved for future issuance pursuant to outstanding stock options ("Options") and 130,000 Shares were subject to outstanding Options. As a result, as of such date, the Minimum Condition would be satisfied if Purchaser acquired 1,350,989 Shares.

THIS OFFER TO PURCHASE AND THE RELATED LETTER OF TRANSMITTAL CONTAIN IMPORTANT INFORMATION WHICH SHOULD BE READ BEFORE ANY DECISION IS MADE WITH RESPECT TO THE OFFER.

1. Terms of the Offer; Expiration Date. Upon the terms and subject to the conditions of the Offer (including, if the Offer is extended or amended, the terms and conditions of such extension or amendment), Purchaser will accept for payment and pay for all Shares validly tendered prior to the Expiration Date (as hereinafter defined) and not withdrawn as permitted by Section 4. The term "Expiration Date" means 12:00 midnight, New York City time, on Thursday, January 25, 1996, unless and until Purchaser, in its sole discretion, shall have extended the period during which the Offer is open, in which event the term "Expiration Date" shall mean the latest time and date at which the Offer, as so extended by Purchaser, shall expire.

Purchaser expressly reserves the right, in its sole discretion, at any time and from time to time, to extend for any reason the period of time during which the Offer is open, including the occurrence of any of the

conditions specified in Section 14, by giving oral or written notice of such extension to the Depositary. During any such extension, all Shares previously tendered and not withdrawn will remain subject to the Offer, subject to the rights of a tendering stockholder to withdraw his or her Shares. See Section 4.

Subject to the applicable regulations of the Securities and Exchange Commission (the "Commission"), Purchaser also expressly reserves the right, in its sole discretion (but subject to the terms and conditions of the Merger Agreement), at any time and from time to time, (i) to delay acceptance for payment of, or, regardless of whether such Shares were theretofore accepted for payment, payment for, any Shares pending receipt of any regulatory approval specified in Section 15, (ii) to terminate the Offer and not accept for payment any Shares upon the occurrence of any of the conditions specified in Section 14 and (iii) to waive any condition or otherwise amend the Offer in any respect, by giving oral or written notice of such delay, termination, waiver or amendment to the Depositary and by making a public announcement thereof. The Merger Agreement provides, however, that Purchaser will not (i) decrease the price per Share payable pursuant to the Offer, (ii) reduce the maximum number of Shares to be purchased in the Offer or (iii) impose conditions to the Offer in addition to those set forth in Section 14. Purchaser acknowledges that (i) Rule 14e-1(c) under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), requires Purchaser to pay the consideration offered or return the Shares tendered promptly after the termination or withdrawal of the Offer and (ii) Purchaser may not delay acceptance for payment of, or payment for (except as provided in clause (i) of the first sentence of this paragraph), any Shares upon the occurrence of any of the conditions specified in Section 14 without extending the period of time during which the Offer is open.

Any such extension, delay, termination, waiver or amendment will be followed as promptly as practicable by public announcement thereof, such announcement in the case of an extension to be made no later than 9:00 a.m., New York City time, on the next business day after the previously scheduled Expiration Date. Subject to applicable law (including Rules 14d-4(c) and 14d-6(d) under the Exchange Act, which require that material changes be promptly disseminated to stockholders in a manner reasonably designed to inform them of such changes) and without limiting the manner in which Purchaser may choose to make any public announcement, Purchaser shall have no obligation to publish, advertise or otherwise communicate any such public announcement other than by issuing a press release to the Dow Jones News Service.

If Purchaser makes a material change in the terms of the Offer or the information concerning the Offer, or if it waives a material condition of the Offer, Purchaser will extend the Offer to the extent required by Rules 14d-4(c) and 14d-6(d) under the Exchange Act.

Subject to the terms of the Merger Agreement, if, prior to the Expiration Date, Purchaser should decide to increase the consideration being offered in the Offer, such increase in the consideration being offered will be applicable to all stockholders whose Shares are accepted for payment pursuant to the Offer and, if at the time notice of any such increase in the consideration being offered is first published, sent or given to holders of such Shares, the Offer is scheduled to expire at any time earlier than the period ending on the tenth business day from and including the date that such notice is first so published, sent or given, the Offer will be extended at least until the expiration of such ten business day period. For purposes of the Offer, a "business day" means any day other than a Saturday, Sunday or federal holiday and consists of the time period from 12:01 a.m. through 12:00 midnight, New York City time.

The Company has provided Purchaser with the Company's stockholder list and security position listings for the purpose of disseminating the Offer to holders of Shares. This Offer to Purchase and the related Letter of Transmittal will be mailed to record holders of Shares whose names appear on the Company's stockholder list and will be furnished, for subsequent transmittal to beneficial owners of Shares, to brokers, dealers, commercial banks, trust companies and similar persons whose names, or the names of whose nominees, appear on the stockholder list or, if applicable, who are listed as participants in a clearing agency's security position listing.

2. Acceptance for Payment and Payment for Shares. Upon the terms and subject to the conditions of the Offer (including, if the Offer is extended or amended, the terms and conditions of any such extension or amendment), Purchaser will accept for payment, and will pay for, all Shares validly tendered prior to the Expiration Date and not properly withdrawn promptly after the later to occur of (i) the Expiration Date,

(ii) the expiration or termination of any applicable waiting periods under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended (the "HSR Act"), and (iii) the satisfaction or waiver of the conditions to the Offer set forth in Section 14. Subject to applicable rules of the Commission, Purchaser expressly reserves the right to delay acceptance for payment of, or payment for, Shares pending receipt of any regulatory approvals specified in Section 15 or in order to comply in whole or in part with any other applicable law.

In all cases, payment for Shares tendered and accepted for payment pursuant to the Offer will be made only after timely receipt by the Depositary of (i) the certificates evidencing such Shares (the "Share Certificates") or timely confirmation (a "Book-Entry Confirmation") of a book-entry transfer of such Shares into the Depositary's account at The Depository Trust Company, the Midwest Securities Trust Company or the Philadelphia Depository Trust Company (each, a "Book-Entry Transfer Facility" and, collectively, the "Book-Entry Transfer Facilities") pursuant to the procedures set forth in Section 3, (ii) the Letter of Transmittal (or a facsimile thereof), properly completed and duly executed, with any required signature guarantees, or an Agent's Message (as defined below) in connection with a book-entry transfer, and (iii) any other documents required under the Letter of Transmittal.

The term "Agent's Message" means a message, transmitted by a Book-Entry Transfer Facility to, and received by the Depositary and forming a part of a Book-Entry Confirmation, which states that such Book-Entry Transfer Facility has received an express acknowledgement from the participant in such Book-Entry Transfer Facility tendering the Shares that such participant has received and agrees to be bound by the terms of the Letter of Transmittal and that Purchaser may enforce such agreement against such participant.

On or about December 27, 1995, Parent filed with the Federal Trade Commission (the "FTC") and the Antitrust Division of the Department of Justice (the "Antitrust Division") a Premerger Notification and Report Form under the HSR Act in connection with the purchase of Shares pursuant to the Offer and the Stock Purchase Agreement. Accordingly, it is anticipated that the waiting period under the HSR Act applicable to the Offer will expire at 12:00 midnight, New York City time, on or about Thursday, January 11, 1996. Prior to the expiration or termination of such waiting period, the FTC or the Antitrust Division may extend such waiting period by requesting additional information or documentary material from Parent. If such a request is made with respect to the purchase of Shares in the Offer, the waiting period will expire at 12:00 midnight, New York City time, on the tenth calendar day after substantial compliance by Parent with such request. Thereafter, the waiting period may only be extended by court order. The waiting period under the HSR Act may be terminated prior to its expiration by the FTC and the Antitrust Division. Parent has requested early termination of the waiting period, although there can be no assurance that this request will be granted. See Section 15 for additional information regarding the HSR Act.

For purposes of the Offer, Purchaser will be deemed to have accepted for payment (and thereby purchased) Shares validly tendered and not properly withdrawn as, if and when Purchaser gives oral or written notice to the Depositary of Purchaser's acceptance for payment of such Shares pursuant to the Offer. Upon the terms and subject to the conditions of the Offer, payment for Shares accepted for payment pursuant to the Offer will be made by deposit of the purchase price therefor with the Depositary, which will act as agent for tendering stockholders for the purpose of receiving payments from Purchaser and transmitting such payments to tendering stockholders whose Shares have been accepted for payment. Under no circumstances will interest on the purchase price for Shares be paid, regardless of any delay in making such payment.

If any tendered Shares are not accepted for payment for any reason pursuant to the terms and conditions of the Offer, or if Share Certificates are submitted evidencing more Shares than are tendered, Share Certificates evidencing unpurchased Shares will be returned, without expense to the tendering stockholder (or, in the case of Shares tendered by book-entry transfer into the Depositary's account at a Book-Entry Transfer Facility pursuant to the procedure set forth in Section 3, such Shares will be credited to an account maintained at such Book-Entry Transfer Facility), as promptly as practicable following the expiration or termination of the Offer.

Purchaser reserves the right to transfer or assign, in whole or from time to time in part, to one or more of its affiliates, the right to purchase all or any portion of the Shares tendered pursuant to the Offer, but any such transfer or assignment will not relieve Purchaser of its obligations under the Offer and will in no way prejudice the rights of tendering stockholders to receive payment for Shares validly tendered and accepted for payment pursuant to the Offer.

3. Procedures for Accepting the Offer and Tendering Shares. In order for a holder of Shares validly to tender Shares pursuant to the Offer, the Letter of Transmittal (or a facsimile thereof), properly completed and duly executed, together with any required signature guarantees, or an Agent's Message in connection with a book-entry delivery of Shares, and any other documents required by the Letter of Transmittal, must be received by the Depositary at one of its addresses set forth on the back cover of this Offer to Purchase and either (i) the Share Certificates evidencing tendered Shares must be received by the Depositary at such address or such Shares must be tendered pursuant to the procedure for book-entry transfer described below and a Book-Entry Confirmation must be received by the Depositary, in each case prior to the Expiration Date, or (ii) the tendering stockholder must comply with the guaranteed delivery procedures described below.

THE METHOD OF DELIVERY OF SHARE CERTIFICATES AND ALL OTHER REQUIRED DOCUMENTS, INCLUDING DELIVERY THROUGH ANY BOOK-ENTRY TRANSFER FACILITY, IS AT THE OPTION AND RISK OF THE TENDERING STOCKHOLDER, AND THE DELIVERY WILL BE DEEMED MADE ONLY WHEN ACTUALLY RECEIVED BY THE DEPOSITARY. IF DELIVERY IS BY MAIL, REGISTERED MAIL WITH RETURN RECEIPT REQUESTED, PROPERLY INSURED, IS RECOMMENDED. IN ALL CASES, SUFFICIENT TIME SHOULD BE ALLOWED TO ENSURE TIMELY DELIVERY.

Book-Entry Transfer. The Depositary will establish accounts with respect to the Shares at the Book-Entry Transfer Facilities for purposes of the Offer within two business days after the date of this Offer to Purchase. Any financial institution that is a participant in the system of any Book-Entry Transfer Facility may make a book-entry delivery of Shares by causing such Book-Entry Transfer Facility to transfer such Shares into the Depositary's account at such Book-Entry Transfer Facility in accordance with such Book-Entry Transfer Facility's procedures for such transfer. However, although delivery of Shares may be effected through book-entry transfer at a Book-Entry Transfer Facility, the Letter of Transmittal (or a facsimile thereof), properly completed and duly executed, together with any required signature guarantees, or an Agent's Message in connection with a book-entry transfer, and any other required documents, must, in any case, be received by the Depositary at one of its addresses set forth on the back cover of this Offer to Purchase prior to the Expiration Date, or the tendering stockholder must comply with the guaranteed delivery procedure described below. DELIVERY OF DOCUMENTS TO A BOOK-ENTRY TRANSFER FACILITY DOES NOT CONSTITUTE DELIVERY TO THE DEPOSITARY.

Signature Guarantees. Signatures on all Letters of Transmittal must be guaranteed by a firm which is a member of the Medallion Signature Guarantee Program, or by any other "eligible guarantor institution," as such term is defined in Rule 17Ad-15 under the Securities Exchange Act of 1934, as amended (each of the foregoing being referred to as an "Eligible Institution"), except in cases where Shares are tendered (i) by a registered holder of Shares who has not completed either the box entitled "Special Payment Instructions" or the box entitled "Special Delivery Instructions" on the Letter of Transmittal or (ii) for the account of an Eligible Institution. If a Share Certificate is registered in the name of a person other than the person who or which signs of the Letter of Transmittal, or if payment is to be made, or a Share Certificate not accepted for payment or not tendered is to be returned to a person other than the registered holder(s), then the Share Certificate must be endorsed or accompanied by appropriate stock powers, in either case signed exactly as the name(s) of the registered holder(s) appear on the Share Certificate, with the signature(s) on such Share Certificate or stock powers guaranteed by an Eligible Institution. See Instructions 1 and 5 of the Letter of Transmittal.

Guaranteed Delivery. If a stockholder desires to tender Shares pursuant to the Offer and such stockholder's Share Certificates evidencing such Shares are not immediately available or such stockholder cannot deliver the Share Certificates and all other required documents to the Depositary prior to the Expiration Date, or such stockholder cannot complete the procedure for delivery by book-entry transfer on a timely basis, such Shares may nevertheless be tendered, provided that all the following conditions are satisfied:

(i) such tender is made by or through an Eligible Institution;

(ii) a properly completed and duly executed Notice of Guaranteed Delivery, substantially in the form made available by Purchaser, is received prior to the Expiration Date by the Depositary as provided below; and

(iii) the Share Certificates (or a Book-Entry Confirmation) evidencing all tendered Shares, in proper form for transfer, in each case together with the Letter of Transmittal (or a facsimile thereof), properly completed and duly executed, with any required signature guarantees (or, in the case of a book-entry transfer, an Agent's Message), and any other documents required by the Letter of Transmittal are received by the Depositary within three National Association of Securities Dealers Automated Quotation ("NASDAQ") Small Cap Market trading days after the date of execution of such Notice of Guaranteed Delivery.

The Notice of Guaranteed Delivery may be delivered by hand or mail or transmitted by telegram, telex or facsimile transmission to the Depositary and must include a guarantee by an Eligible Institution in the form set forth in the form of Notice of Guaranteed Delivery made available by Purchaser.

In all cases, payment for Shares tendered and accepted for payment pursuant to the Offer will be made only after timely receipt by the Depositary of the Share Certificates evidencing such Shares, or a Book-Entry Confirmation of the delivery of such Shares, and the Letter of Transmittal (or a facsimile thereof), properly completed and duly executed, with any required signature guarantees (or, in the case of a book-entry transfer, an Agent's Message), and any other documents required by the Letter of Transmittal.

Determination of Validity. All questions as to the validity, form, eligibility (including time of receipt) and acceptance for payment of any tender of Shares will be determined by Purchaser in its sole discretion, which determination shall be final and binding on all parties. Purchaser reserves the absolute right to reject any and all tenders determined by it not to be in proper form or the acceptance for payment of which may, in the opinion of its counsel, be unlawful. Purchaser also reserves the absolute right to waive any condition of the Offer or any defect or irregularity in the tender of any Shares of any particular stockholder, whether or not similar defects or irregularities are waived in the case of other stockholders. No tender of Shares will be deemed to have been validly made until all defects and irregularities have been cured or waived. None of Purchaser, Parent, the Depositary, the Information Agent or any other person will be under any duty to give notification of any defects or irregularities in tenders or incur any liability for failure to give any such notification. Purchaser's interpretation of the terms and conditions of the Offer (including the Letter of Transmittal and the instructions thereto) will be final and binding.

Other Requirements. By executing the Letter of Transmittal as set forth above, a tendering stockholder irrevocably appoints designees of Purchaser as such stockholder's proxies, each with full power of substitution, in the manner set forth in the Letter of Transmittal, to the full extent of such stockholder's rights with respect to the Shares tendered by such stockholder and accepted for payment by Purchaser (and with respect to any and all other Shares or other securities issued or issuable in respect of such Shares on or after December 19, 1995). All such proxies shall be considered coupled with an interest in the tendered Shares. Such appointment will be effective when, and only to the extent that, Purchaser accepts such Shares for payment. Upon such acceptance for payment, all prior proxies given by such stockholder with respect to such Shares (and such other Shares and securities) will be revoked without further action, and no subsequent proxies may be given nor any subsequent written consent executed by such stockholder (and, if given or executed, will not be deemed to be effective) with respect thereto. The designees of Purchaser will, with respect to the Shares (and such other Shares and securities for which the appointment is effective) be empowered to exercise all voting and other rights of such stockholder as such designees, in their sole discretion, may deem proper at any annual or special meeting of the Company's stockholders or any adjournment or postponement thereof, by written consent in lieu of any such meeting or otherwise. Purchaser reserves the right to require that, in order for Shares to be deemed validly tendered, immediately upon Purchaser's payment for such Shares, Purchaser must be able to exercise full voting rights with respect to such Shares (and such other Shares and securities).

The acceptance for payment by Purchaser of Shares pursuant to any of the procedures described above will constitute a binding agreement between the tendering stockholder and Purchaser upon the terms and subject to the conditions of the Offer.

UNDER THE FEDERAL INCOME TAX LAWS, THE DEPOSITARY WILL BE REQUIRED TO WITHHOLD 31 PERCENT OF THE AMOUNT OF ANY PAYMENTS MADE TO CERTAIN STOCKHOLDERS PURSUANT TO THE OFFER. TO PREVENT BACKUP FEDERAL INCOME TAX WITHHOLDING WITH RESPECT TO PAYMENT TO CERTAIN STOCKHOLDERS OF THE PURCHASE PRICE OF SHARES PURCHASED PURSUANT TO THE OFFER, EACH SUCH STOCKHOLDER MUST PROVIDE THE DEPOSITARY WITH SUCH STOCKHOLDER'S CORRECT TAXPAYER IDENTIFICATION NUMBER AND CERTIFY THAT SUCH STOCKHOLDER IS NOT SUBJECT TO BACKUP FEDERAL INCOME TAX WITHHOLDING BY COMPLETING THE SUBSTITUTE FORM W-9 IN THE LETTER OF TRANSMITTAL. SEE INSTRUCTION 9 OF THE LETTER OF TRANSMITTAL.

4. Withdrawal Rights. Tenders of Shares made pursuant to the Offer are irrevocable except that tendered Shares may be withdrawn by the tendering stockholder at any time prior to the Expiration Date and, unless theretofore accepted for payment by Purchaser pursuant to the Offer, may also be withdrawn by such stockholder at any time after February 24, 1996. If Purchaser extends the Offer, is delayed in its acceptance for payment of Shares or is unable to accept Shares for payment pursuant to the Offer for any reason, then, without prejudice to Purchaser's rights under the Offer, the Depositary may, nevertheless, on behalf of Purchaser, retain tendered Shares, and such Shares may not be withdrawn except to the extent that tendering stockholders are entitled to withdrawal rights as described in this Section 4. Any such delay will be by an extension of the Offer to the extent required by law.

For a withdrawal to be effective, a written, telegraphic, telex or facsimile transmission notice of withdrawal must be timely received by the Depositary at one of its addresses set forth on the back cover page of this Offer to Purchase. Any such notice of withdrawal must specify the name of the person who tendered the Shares to be withdrawn, the number of Shares to be withdrawn and the name of the registered holder of such Shares, if different from that of the person who tendered such Shares. If Share Certificates evidencing Shares to be withdrawn have been delivered or otherwise identified to the Depositary, then, prior to the physical release of such Share Certificates, the serial numbers shown on such Share Certificates must be submitted to the Depositary and the signature(s) on the notice of withdrawal must be guaranteed by an Eligible Institution, unless such Shares have been tendered for the account of an Eligible Institution. If Shares have been tendered pursuant to the procedure for book-entry transfer as set forth in Section 3, any notice of withdrawal must specify the name and number of the account at the Book-Entry Transfer Facility to be credited with the withdrawn Shares, in which case a notice of withdrawal will be effective if delivered to the Depositary by any method of delivery described in the first sentence of this paragraph

All questions as to the form and validity (including time of receipt) of any notice of withdrawal will be determined by Purchaser, in its sole discretion, whose determination will be final and binding. None of Purchaser, Parent, the Depositary, the Information Agent or any other person will be under any duty to give notification of any defects or irregularities in any notice of withdrawal or incur any liability for failure to give any such notification.

Any Shares properly withdrawn will thereafter be deemed not to have been validly tendered for purposes of the Offer. However, withdrawn Shares may be re-tendered at any time prior to the Expiration Date by following one of the procedures described in Section 3.

5. Certain Federal Income Tax Consequences. The receipt of cash for Shares pursuant to the Offer or in the Merger will be a taxable transaction for federal income tax purposes and may also be a taxable transaction under applicable state, local or foreign tax laws. In general, a stockholder will recognize gain or loss for federal income tax purposes equal to the difference between the amount of cash received in exchange for the Shares sold and such stockholder's adjusted tax basis in such Shares. Assuming the Shares constitute capital assets in the hands of the stockholder, such gain or loss will be capital gain or loss. There are significant limitations on a stockholder's ability to deduct capital losses.

In recent months, various legislative proposals have been introduced in Congress, which would reduce the rate of federal income taxation of certain capital gains. Such legislation, if enacted, might apply only to gain

realized on sales occurring after a date specified in the legislation. It cannot be predicted whether any such legislation ultimately will be enacted and, if enacted, what its effective date will be.

THE FOREGOING DISCUSSION MAY NOT BE APPLICABLE TO CERTAIN TYPES OF STOCKHOLDERS, INCLUDING STOCKHOLDERS WHO ACQUIRED SHARES PURSUANT TO THE EXERCISE OF EMPLOYEE STOCK OPTIONS OR OTHERWISE AS COMPENSATION, INDIVIDUALS WHO ARE NOT CITIZENS OR RESIDENTS OF THE UNITED STATES AND FOREIGN CORPORATIONS.

THE FEDERAL INCOME TAX DISCUSSION SET FORTH ABOVE IS INCLUDED FOR GENERAL INFORMATION ONLY AND IS BASED UPON PRESENT LAW. STOCKHOLDERS ARE URGED TO CONSULT THEIR TAX ADVISORS WITH RESPECT TO THE SPECIFIC TAX CONSEQUENCES OF THE OFFER AND THE MERGER TO THEM, INCLUDING THE APPLICATION AND EFFECT OF THE ALTERNATIVE MINIMUM TAX, AND STATE, LOCAL AND FOREIGN TAX LAWS.

6. Price Range of Shares; Dividends. The Shares are listed and principally traded on the National Association of Securities Dealers Automated Quotation System ("NASDAQ") Small Cap Market. The following table sets forth, for the quarters indicated, the high and low sales prices per Share on the NASDAQ Small Cap Market as reported by the Dow Jones News Service.

	HIGH	LOW
1993:		
First Quarter	$6 1/4	$4 1/4
Second Quarter	5	2 1/2
Third Quarter	3 1/2	2 3/4
Fourth Quarter	3 1/4	2 5/8
1994:		
First Quarter	$3 1/4	$1 1/2
Second Quarter	2 1/8	1 1/2
Third Quarter	3 3/8	1 1/2
Fourth Quarter	3 1/8	1 3/4
1995:		
First Quarter	$3	$1 3/4
Second Quarter	2 5/8	1 3/4
Third Quarter	3	2
Fourth Quarter (through 12/26/95)	6 5/8	2

The Company historically does not declare dividends.

On December 19, 1995, the last full trading day prior to the announcement of the execution of the Merger Agreement and of Purchaser's intention to commence the Offer, the closing price per Share as reported on the NASDAQ Small Cap Market was $2 7/8. On December 26, 1995, the last full trading day prior to the commencement of the Offer, the closing price per Share as reported on the NASDAQ Small Cap Market was $6 9/16.

STOCKHOLDERS ARE URGED TO OBTAIN A CURRENT MARKET QUOTATION FOR THE SHARES.

7. Certain Information Concerning the Company. Except as otherwise set forth herein, the information concerning the Company contained in this Offer to Purchase, including financial information, has been furnished by the Company or has been taken from or based upon publicly available documents and records on file with the Commission and other public sources. Neither Purchaser nor Parent assumes any responsibility for the accuracy or completeness of the information concerning the Company furnished by the Company or contained in such documents and records or for any failure by the Company to disclose events which may have occurred or may affect the significance or accuracy of any such information but which are unknown to Purchaser or Parent.

General. The Company is a Delaware corporation with its principal executive offices located at 2252 Welsch Industrial Court, St. Louis, Missouri 63146. The Company provides integrated software solutions that focus on the core services provided by the Company's customers, approximately 10,000 firms of accountants

and tax professionals. The Company's tax software packages increase the accuracy of tax computations, improve productivity of staff and management, and generate a high quality professionally printed tax return for filing with the Internal Revenue Service and state taxing authorities. The accounting software packages are integrated modular applications sold to both public accounting firms and small businesses. They offer efficiencies in integrating transaction processing and ready-made financial reporting formats with graphic and design capabilities to create advanced management reports.

In 1995 the Company acquired certain assets of RAM Software, Inc. and saLT Solutions, Inc.

Financial Information. Set forth below is certain selected consolidated financial information relating to the Company which has been excerpted or derived from the audited financial statements contained in the Company's Annual Report on Form 10-K for the fiscal year ended January 31, 1995 (the "Form 10-K") and the unaudited financial statements contained in the Company's Quarterly Report on Form 10-Q for the quarter ended October 31, 1995 (the "Form 10-Q"). More comprehensive financial information is included in the Form 10-K, the Form 10-Q and other documents filed by the Company with the Commission. The financial information that follows is qualified in its entirety by reference to such reports and other documents, including the financial statements and related notes contained therein. Such reports and other documents may be examined and copies may be obtained from the offices of the Commission in the manner set forth below.

SCS/COMPUTE, INC.

Selected Consolidated Financial Information

(In thousands, except per share data)

	9 MONTHS ENDED OCTOBER 31,		FISCAL YEAR ENDED JANUARY 31,	
	1995	1994	1995	1994
INCOME STATEMENT DATA:				
Total revenues	$3,042	$2,916	$18,209	$19,856
Total cost of revenues	1,354	1,452	4,129	5,382
Gross income	1,688	1,464	14,080	14,474
Total operating expenses	9,326	8,896	12,572	16,048
Operating income (loss)	(7,638)	(7,432)	1,508	(1,574)
Net interest expenses	656	931	1,165	1,701
Pretax income (loss)	(8,294)	(8,363)	343	(3,275)
Tax provision (credit)	(3,235)	(3,261)	(197)	207
Net income (loss)	(5,059)	(5,102)	540	(3,482)
Income (loss) per share	$(2.04)	$(2.03)	$ 0.14	$ (1.36)

	AT OCTOBER 31		AT JANUARY 31	
	1995	1994	1995	1994
BALANCE SHEET DATA:				
Total Current Assets	$ 8,755	$ 8,724	$ 4,283	$ 3,089
Total Assets	23,279	22,975	17,712	18,468
Total Current Liabilities	16,714	15,649	4,744	4,629
Long-Term Liabilities	7,680	8,750	8,750	13,500
Shareholders' Equity	$(1,115)	$(1,424)	$ 4,217	$ 340

In connection with Parent's review of the Company and in the course of the negotiations between the Company and Parent described in Section 10, the Company provided Parent with certain business and

financial information which Parent and Purchaser believe is not publicly available, including the following forecasts:

	TWELVE MONTHS ENDING JANUARY 31,				
	1997	1998	1999	2000	2001
	(IN THOUSANDS)				
Revenue.....	$22,270	$24,569	$26,990	$29,653	$32,582
Operating Income.....	$ 3,275	$ 4,158	$ 4,998	$ 5,909	$ 7,008

These projections do not give effect to the Offer or the Merger.

PROJECTED INFORMATION OF THIS TYPE IS BASED ON ESTIMATES AND ASSUMPTIONS THAT ARE INHERENTLY SUBJECT TO SIGNIFICANT ECONOMIC AND COMPETITIVE UNCERTAINTIES AND CONTINGENCIES, ALL OF WHICH ARE DIFFICULT TO PREDICT AND MANY OF WHICH ARE BEYOND THE COMPANY'S CONTROL. ACCORDINGLY, THERE CAN BE NO ASSURANCE THAT THE PROJECTED RESULTS WOULD BE REALIZED OR THAT ACTUAL RESULTS WOULD NOT BE SIGNIFICANTLY HIGHER OR LOWER THAN THOSE SET FORTH ABOVE. IN ADDITION, THESE PROJECTIONS WERE NOT PREPARED WITH A VIEW TO PUBLIC DISCLOSURE OR COMPLIANCE WITH THE PUBLISHED GUIDELINES OF THE COMMISSION OR THE GUIDELINES ESTABLISHED BY THE AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS REGARDING PROJECTIONS AND FORECASTS AND ARE INCLUDED IN THIS OFFER TO PURCHASE ONLY BECAUSE SUCH INFORMATION WAS MADE AVAILABLE TO PARENT BY THE COMPANY. NONE OF PARENT, PURCHASER, THE COMPANY OR ANY OTHER PARTY ASSUMES ANY RESPONSIBILITY FOR THE ACCURACY OR VALIDITY OF THE FOREGOING PROJECTIONS.

The Shares are registered under the Exchange Act. Accordingly, the Company is subject to the informational filing requirements of the Exchange Act and, in accordance therewith, is required to file periodic reports, proxy statements and other information with the Commission relating to its business, financial condition and other matters. Information as of particular dates concerning the Company's directors and officers, their remuneration, stock options granted to them, the principal holders of the Company's securities and any material interest of such persons in transactions with the Company is required to be disclosed in proxy statements distributed to the Company's stockholders and filed with the Commission. Such reports, proxy statements and other information should be available for inspection at the public reference facilities maintained by the Commission at Room 1024, Judiciary Plaza, 450 Fifth Street, N.W., Washington, D.C. 20549, and also should be available for inspection at the Commission's regional offices located at 75 Park Place, 14th Floor, New York, New York 10007 and the Klucyzinski Federal Building, 230 South Dearborn Street, Room 3190, Chicago, Illinois 60604. Copies of such materials may also be obtained by mail, upon payment of the Commission's customary fees, by writing to its principal office at Judiciary Plaza, 450 Fifth Street, N.W., Washington, D.C. 20549. The information should also be available for inspection at the National Association of Securities Dealers, Inc., 1735 K Street N.W., Washington, D.C. 20006.

8. Certain Information Concerning Purchaser, Parent and TTC. Purchaser is a newly incorporated Delaware corporation organized in connection with the Offer and the Merger and has not carried on any activities other than in connection with the Offer and the Merger. The principal offices of Purchaser are located at Metro Center at One Station Place, Stamford, Connecticut 06902. Purchaser is an indirect wholly owned subsidiary of TTC and a direct wholly owned subsidiary of Parent.

Until immediately prior to the time that Purchaser will purchase Shares pursuant to the Offer, it is not anticipated that Purchaser will have any significant assets or liabilities or engage in activities other than those incident to its formation and capitalization and the transactions contemplated by the Offer and the Merger. Because Purchaser is newly formed and has minimal assets and capitalization, no meaningful financial information regarding Purchaser is available.

Parent is a Delaware corporation with its principal offices located at Metro Center at One Station Place, Stamford, Connecticut 06902. Parent is a holding company and an indirect wholly owned subsidiary of TTC. TTC operates primarily in North America and the United Kingdom. TTC currently comprises four business groups known as Thomson Financial & Professional Publishing Group ("TF&PPG"), International Thomson Publishing ("ITP"), Thomson Newspapers ("TN") and Thomson Travel Group ("TTG"). TF&PPG is a leading worldwide specialized information and publishing company serving particular information needs in

professional, business and financial services areas. ITP is a leading worldwide publisher of educational and related materials. The primary business of TN is the publication of newspapers serving small to medium sized communities in North America. TTG's main business activity is the organization of all-inclusive holiday tours by air from the United Kingdom.

The name, citizenship, business address, principal occupation or employment, and five-year employment history for each of the directors and executive officers of TTC, Purchaser and Parent and certain other information are set forth in Schedule I hereto.

Based upon the consolidated financial statements of TTC for the fiscal year ended December 31, 1994, contained in the Parent's 1994 Annual Report (the "Parent Financial Statements"), TTC had (i) at December 31, 1994, consolidated total assets of U.S.$9.358 billion, consolidated total liabilities of U.S.$6.106 billion and consolidated shareholders' equity of U.S.$3.252 billion and (ii) for the fiscal year ended December 31, 1994, consolidated sales of U.S.$6.354 billion and net earnings of U.S.$427 million. More comprehensive financial information is included in the TTC Financial Statements. The summary of such financial information included above is qualified in its entirety by reference to the TTC Financial Statements, a copy of which has been filed as an exhibit to the Tender Offer Statement on Schedule 14D-1/13D (the "Schedule 14D-1") filed by Purchaser and Parent with the Commission in connection with the Offer.

Except as described in this Offer to Purchase, (i) none of Purchaser, Parent, TTC nor, to the best knowledge of Purchaser, Parent and TTC, any of the persons listed in Schedule I to this Offer to Purchase or any associate or majority-owned subsidiary of Purchaser, Parent, TTC or any of the persons so listed beneficially owns or has any right to acquire, directly or indirectly, any Shares and (ii) none of Purchaser, Parent, TTC nor, to the best knowledge of Purchaser, Parent and TTC, any of the persons or entities referred to above nor any director, executive officer or subsidiary of any of the foregoing has effected any transaction in the Shares during the past 60 days.

Except as provided in the Merger Agreement and the Stock Purchase Agreement and as otherwise described in this Offer to Purchase, none of Purchaser, Parent, TTC nor, to the best knowledge of Purchaser, Parent and TTC, any of the persons listed in Schedule I to this Offer to Purchase, has any contract, arrangement, understanding or relationship with any other person with respect to any securities of the Company, including, but not limited to, any contract, arrangement, understanding or relationship concerning the transfer or voting of such securities, joint ventures, loan or option arrangements, puts or calls, guaranties of loans, guaranties against loss or the giving or withholding of proxies. Except as set forth in this Offer to Purchase, since January 31, 1992, neither Purchaser, Parent nor TTC nor, to the best knowledge of Purchaser, Parent and TTC, any of the persons listed on Schedule I hereto, has had any business relationship or transaction with the Company or any of its executive officers, directors or affiliates that is required to be reported under the rules and regulations of the Commission applicable to the Offer. Except as set forth in this Offer to Purchase, since January 31, 1992, there have been no contacts, negotiations or transactions between any of Purchaser, Parent, TTC, or any of their respective subsidiaries or, to the best knowledge of Purchaser, Parent and TTC, any of the persons listed in Schedule I to this Offer to Purchase, on the one hand, and the Company or its affiliates, on the other hand, concerning a merger, consolidation or acquisition, tender offer or other acquisition of securities, an election of directors or a sale or other transfer of a material amount of assets.

9. Financing of the Offer and the Merger. The total amount of funds required by Purchaser to purchase all of the outstanding Shares pursuant to the Offer, the Stock Purchase Agreement and the Merger, and to pay certain fees and expenses is estimated to be approximately $18.4 million. Purchaser will obtain all of such funds from Parent or its affiliates. Parent and its affiliates currently intend to provide such funds from existing resources.

10. Background of the Offer; Contacts with the Company; the Merger Agreement; the Stock Purchase Agreement and Related Agreements. In April of 1995, Robert W. Nolan Sr., President and Chief Executive Officer of the Company, Theodore Schroeder, Vice President, Sales and Marketing for the Company and Euan Menzies, the then President and Chief Executive Officer of Research Institute of America Inc. ("RIA Inc."), an indirect wholly owned subsidiary of Parent, had a brief telephone conversation regarding the market for tax and accounting software and the positioning of their respective companies in such market. On May 1,

Stephen Wahrlich, Vice President of Business Development for RIA Inc., met with Mr. Nolan and engaged in a general discussion of the marketplace, including various competitive factors and general market direction.

On October 3, Messrs. Wahrlich, Ronald Aylward, Chairman of Aylward and Associates, a business consultant to the Company, Nolan and David Shea, Senior Vice President of Business Development for the Research Institute of America Group ("RIAG"), one of several businesses comprising TF&PPG, met at the main offices of RIA Inc. in New York City. At this meeting, further discussion about the market for tax and accounting software, the Company's vision and philosophies and potential joint working relationships between the Company and RIAG took place. In anticipation of further discussions, the Company and RIA Inc. entered into a Mutual Nondisclosure Agreement dated as of October 10, 1995 (the "Nondisclosure Agreement") regarding any confidential information concerning the operations of their respective businesses that might be discussed.

On October 20, Messrs. Menzies (now President and Chief Executive Officer of RIAG), Shea, Wahrlich, Nolan Sr., Aylward, Robert Nolan, Jr., Vice President Operations and Product Development, Schroeder and Charles Wilson, Executive Vice President, Treasurer and Secretary of the Company met at the main offices of the Company in St. Louis, Missouri. At the meeting, executives of the Company presented their vision for future growth of the market for tax and accounting software and plans for the Company's future. The group discussed whether those plans were consistent with the vision of RIAG and whether the pursuit of a possible business relationship between the companies would be fruitful. At the conclusion of this meeting, Messrs. Menzies, Nolan Sr., Shea, Wahrlich and Aylward met separately to discuss further the possibilities of a closer working relationship between the Company and RIAG.

On October 25, Mr. Menzies telephoned Mr. Nolan Sr. to indicate that RIAG was interested in entering into exploratory discussions with the Company regarding the acquisition of the Company and to discuss the potential range of purchase prices that RIAG might be willing to offer to acquire the Company.

On October 26, Messrs. Menzies and Shea initiated a conference call with Messrs. Nolan Sr. and Wilson to further discuss a possible acquisition of the Company and a potential range of values for the Company.

On November 10, Messrs. Nolan Sr. and Aylward for the Company and Messrs. Shea and Menzies of RIAG met to discuss a potential acquisition price. Numerous meetings were held during the day and the parties agreed to perform further work and analysis regarding the operations of the Company.

On November 12, Mr. Shea met with Messrs. Nolan Sr. and Wilson at the main offices of the Company in St. Louis, Missouri and discussed the operations of the Company, past and current financial performance and projections for operations for the current year.

On November 15, Messrs. Menzies and Nolan Sr. met at the offices of the Company and continued their discussions concerning the operations of the Company and a possible acquisition of the Company by RIAG.

On November 28, Messrs. Menzies, Shea, Nolan Sr., Wilson, Aylward and representatives from Peper, Martin, Jensen, Maichel and Hetlage ("Peper") and Price Waterhouse, legal counsel and auditors, respectively, for the Company, met at the offices of Price Waterhouse in St. Louis, Missouri to discuss the process and schedule for pursuing a possible merger between RIAG and the Company.

On December 1, 4 and 5 various representatives of the parties met in St. Louis, Missouri and Seattle, Washington to discuss further the operations of the Company.

On December 7, Messrs. Menzies, Shea, Nolan Sr., Wilson, Schroeder, Nolan, Jr., Aylward, and representatives of Peper and legal and human resources advisers for RIAG met at the offices of Peper in St. Louis, Missouri to discuss the operations of the business and steps necessary to pursue a merger between RIAG and the Company, including a possible tender offer for substantially all the outstanding Shares of the Company.

Subsequent to the December 7 meeting, drafts of agreements with respect to the proposed transaction were prepared by Shearman & Sterling, outside counsel for the Purchaser.

Subsequent to the receipt of these drafts agreements between December 8 and December 15, numerous meetings were held in person and by telephone between Messrs. Menzies, Shea, Nolan Sr., Wilson, and representatives of Peper regarding the terms of a possible merger and the form and content of the draft agreements.

On December 14, 1995, a special committee of the Board of Directors (the "Special Committee") of the Company was formed, consisting of Messrs. Robert C. Chlebowski and Irwin M. Jarett, Ph.D., the non-employee directors of the Company. At a meeting held on December 14, 1995, the Special Committee discussed the proposed merger and voted unanimously to recommend to the Board that the Board approve the merger of the Company and Purchaser, subject to resolution of the remaining business and legal issues in the draft Merger Agreement.

On December 14, the members of the Board of Directors of the Company met at the offices of Peper in St. Louis, Missouri to discuss the proposed merger. Late in the afternoon at this meeting, the Board unanimously (with Mr. Nolan, Sr. not participating solely because of his interest in the transaction) voted to approve the merger of the Company and Purchaser, subject to resolution of the remaining business and legal issues in the draft Merger Agreement.

From December 14 through December 19, representatives of the parties and their respective counsels continued to work to finalize the terms of the Merger Agreement and the Stock Purchase Agreement.

Late in the evening on December 19, the Merger Agreement and the Stock Purchase Agreement were executed. On the morning of December 20, the Company issued a press release to announce publicly the transaction.

Reference is made to the Company's Statement on Schedule 14D-9 for a description of the matters considered by the Board in connection with its actions.

THE MERGER AGREEMENT

The following is a summary of the Merger Agreement, a copy of which is filed as an Exhibit to the Schedule 14D-1. Such summary is qualified in its entirety by reference to the Merger Agreement.

The Offer. The Merger Agreement provides for the commencement of the Offer as promptly as reasonably practicable, but in no event later than five business days after the initial public announcement of Purchaser's intention to commence the Offer. The obligation of Purchaser to accept for payment Shares tendered pursuant to the Offer is subject to the satisfaction of the Minimum Condition and certain other conditions that are described in Section 14 hereof. Purchaser and Parent have agreed that no change in the Offer may be made which decreases the price per Share payable in the Offer, which reduces the maximum number of Shares to be purchased in the Offer or which imposes conditions to the Offer in addition to those set forth in Section 14 hereof.

The Merger. The Merger Agreement provides that, upon the terms and subject to the conditions thereof, and in accordance with Delaware Law, at the Effective Time, Purchaser shall be merged with and into the Company. As a result of the Merger, the separate corporate existence of Purchaser will cease and the Company will continue as the Surviving Corporation and will become a direct, wholly owned subsidiary of Parent. Upon consummation of the Merger, each issued and then outstanding Share (other than any Shares owned by Purchaser, Parent or any direct or indirect wholly owned subsidiary of Parent or of the Company immediately prior to the Effective Time and any Shares which are held by stockholders who have not voted in favor of the Merger or consented thereto in writing and who shall have demanded properly in writing appraisal for such Shares in accordance with Delaware Law) shall be cancelled or converted automatically into the right to receive an amount equal to $6.75 per Share or any greater amount per Share paid pursuant to the Offer (such amount, the "Per Share Amount") in cash.

The Merger Agreement provides that the directors of Purchaser immediately prior to the Effective Time will be the initial directors of the Surviving Corporation and that the officers of the Company immediately prior to the Effective Time will be the initial officers of the Surviving Corporation. The Merger Agreement provides that, at the Effective Time, unless otherwise determined by Parent prior to the Effective Time, the Certificate of Incorporation of Purchaser will be the Certificate of Incorporation of the Surviving Corporation; provided, however, that, at the Effective Time, Article I of the Certificate of Incorporation of the Surviving Corporation will be amended to read as follows: "The name of the corporation is SCS/Compute, Inc." The Merger Agreement also provides that the By-laws of Purchaser, as in effect immediately prior to the Effective Time, will be the By-laws of the Surviving Corporation.

Agreements of Parent, Purchaser and the Company. Pursuant to the Merger Agreement, the Company shall, in accordance with applicable law and the Company's Certificate of Incorporation and By-laws, duly call, give notice of, convene and hold a special meeting of its stockholders as soon as practicable following consummation of the Offer for the purpose of considering and taking action on the Merger Agreement and the transactions contemplated thereby (the "Stockholders' Meeting"). If Purchaser acquires at least a majority of the outstanding Shares, Purchaser will have sufficient voting power to approve the Merger, even if no other stockholder votes in favor of the Merger.

The Merger Agreement provides that the Company shall, as soon as practicable following consummation of the Offer, file with the Commission under the Exchange Act, and use its best efforts to have cleared by the Commission, a proxy statement and related proxy materials (the "Proxy Statement") with respect to the Stockholders' Meeting and shall cause the Proxy Statement to be mailed to stockholders of the Company at the earliest practicable time. The Company has agreed, subject to its fiduciary duties under applicable law as advised by counsel, to include in the Proxy Statement the recommendation of the Board that the stockholders of the Company approve and adopt the Merger Agreement and the transactions contemplated thereby and to use its best efforts to obtain such approval and adoption. Parent and Purchaser have agreed to cause all Shares then owned by them and their subsidiaries to be voted in favor of approval and adoption of the Merger Agreement and the transactions contemplated thereby.

The Merger Agreement provides that, in the event that Purchaser shall acquire at least 90 percent of the then outstanding Shares, all necessary and appropriate action shall be taken to cause the Merger to become effective as soon as reasonably practicable after such acquisition, without a meeting of the Company's stockholders, in accordance with Delaware Law.

Pursuant to the Merger Agreement, the Company has covenanted and agreed that, between the date of the Merger Agreement and the Effective Time, unless Parent shall otherwise agree in writing, the business of the Company shall be conducted only in, and the Company shall not take any action except in, the ordinary course of business and in a manner consistent with past practice; and the Company shall use its best efforts to preserve substantially intact the business organization of the Company, to keep available the services of the current officers, employees and consultants of the Company and to preserve the current relationships of the Company with customers, suppliers and other persons with which the Company has significant business relations. The Merger Agreement provides that by way of amplification and not limitation, and except as contemplated therein, the Company shall not between the date of the Merger Agreement and the Effective Time, directly or indirectly do, or propose to do, any of the following, without the prior written consent of Parent: (a) amend or otherwise change its Certificate of Incorporation or By-laws; (b) issue, sell, pledge, dispose of, grant, encumber, or authorize the issuance, sale, pledge, disposition, grant or encumbrance of (i) any shares of capital stock of any class of the Company, or any options, warrants, convertible securities or other rights of any kind to acquire any shares of such capital stock, or any other ownership interest (including, without limitation, any phantom interest), of the Company (except for the issuance of a maximum of 130,000 Shares issuable pursuant to Options outstanding on the date of the Merger Agreement) or (ii) any assets of the Company, except for sales in the ordinary course of business and in a manner consistent with past practice; (c) declare, set aside, make or pay any dividend or other distribution, payable in cash, stock, property or otherwise, with respect to any of its capital stock; (d) reclassify, combine, split, subdivide or redeem, purchase or otherwise acquire, directly or indirectly, any of its capital stock; (e) (i) acquire (including, without limitation, by merger, consolidation, or acquisition of stock or assets) any corporation, partnership, other business organization or any division thereof or any material amount of assets, (ii) incur any indebtedness for borrowed money or issue any debt securities or assume, guarantee or endorse, or otherwise as an accommodation become responsible for, the obligations of any person, or make any loans or advances, except in the ordinary course of business and consistent with past practice, (iii) enter into any contract or agreement other than in the ordinary course of business, consistent with past practice, (iv) authorize any single capital commitment which is in excess of $50,000 or capital expenditures which are, in the aggregate, in excess of $100,000 for the Company, or (v) enter into or amend any contract, agreement, commitment or arrangement with respect to any of the foregoing matters; (f) increase the compensation payable or to become payable to its officers or employees, except for increases in accordance with past practices in salaries or wages of

employees of the Company who are not officers of the Company, or grant any severance or termination pay to, or enter into any employment or severance agreement with any director, officer or other employee of the Company, or establish, adopt, enter into or amend any collective bargaining, bonus, profit sharing, thrift, compensation, stock option, restricted stock, pension, retirement, deferred compensation, employment, termination, severance or other plan, agreement, trust, fund, policy or arrangement for the benefit of any director, officer or employee; (g) take any action, other than reasonable and usual actions in the ordinary course of business and consistent with past practice, with respect to accounting policies or procedures (including, without limitation, procedures with respect to the payment of accounts payable and collection of accounts receivable); (h) make any tax election or settle or compromise any material federal, state, local or foreign income tax liability; (i) settle or compromise any pending or threatened suit, action or claim which is material or which relates to the transactions contemplated by the Merger Agreement; (j) pay, discharge or satisfy any claim, liability or obligation (absolute, accrued, asserted or unasserted, contingent or otherwise), other than the payment, discharge or satisfaction, in the ordinary course of business and consistent with past practice, of liabilities reflected or reserved against in the balance sheet of the Company as at January 31, 1995 or subsequently incurred in the ordinary course of business and consistent with past practice; (k) sell, assign, transfer, license, sublicense, pledge or otherwise encumber any of the Company's Intellectual Property (as defined in the Merger Agreement); or (l) announce an intention, commit or agree to do any of the foregoing.

The Merger Agreement provides that, promptly upon the purchase by Purchaser of Shares pursuant to the Offer, and from time to time thereafter, Purchaser shall be entitled to designate up to such number of directors, rounded up to the next whole number, on the Board as shall give Purchaser representation on the Board equal to the product of the total number of directors on the Board (giving effect to the directors elected pursuant to this sentence), multiplied by the percentage that the aggregate number of Shares beneficially owned by Purchaser or any affiliate of Purchaser following such purchase bears to the total number of Shares then outstanding, and the Company shall, at such time, promptly take all actions necessary to cause Purchaser's designees to be elected as directors of the Company, including increasing the size of the Board or securing the resignations of incumbent directors, or both. The Merger Agreement also provides that, at such times, the Company shall use its best efforts to cause persons designated by Purchaser to constitute the same percentage as persons designated by Purchaser shall constitute of the Board of each committee of the Board, in each case only to the extent permitted by applicable law. Until the earlier of (i) the time Purchaser acquires a majority of the then outstanding Shares on a fully diluted basis and (ii) the Effective Time, the Company has agreed to use its best efforts to ensure that all the members of the Board and each committee of the Board as of the date of the Merger Agreement who are not employees of the Company shall remain members of the Board and of such committees.

The Merger Agreement provides that following the election or appointment of Purchaser's designees in accordance with the immediately preceding paragraph and prior to the Effective Time, any amendment of the Merger Agreement or the Certificate of Incorporation or By-laws of the Company, any termination of the Merger Agreement by the Company, any extension by the Company of the time for the performance of any of the obligations or other acts of Parent or Purchaser or waiver of any of the Company's rights thereunder, will require the concurrence of a majority of those directors of the Company then in office who were neither designated by Purchaser nor are employees of the Company.

Pursuant to the Merger Agreement, until the Effective Time, the Company shall, and shall cause the officers, directors, employees, auditors and agents of the Company to, afford the officers, employees and agents of Parent and Purchaser complete access at all reasonable times to the officers, employees, agents, properties, offices, plants and other facilities, books and records of the Company, and shall furnish Parent and Purchaser with all financial, operating and other data and information as Parent or Purchaser, through its officers, employees or agents, may reasonably request and Parent and Purchaser have agreed to keep such information confidential in accordance with the Confidentiality Agreement.

The Merger Agreement provides that the Company shall not, directly or indirectly, through any officer, director, agent or otherwise, solicit, initiate or encourage the submission of any proposal or offer from any person relating to any acquisition or purchase of all or (other than in the ordinary course of business) any portion of the assets of, or any equity interest in, the Company or any business combination with the Company

or participate in any negotiations regarding, or furnish to any other person any information with respect to, or otherwise cooperate in any way with, or assist or participate in, facilitate or encourage, any effort or attempt by any other person to do or seek any of the foregoing; provided, however, that nothing contained in this paragraph shall prohibit the Board from responding to any unsolicited proposal made in writing to acquire the Company pursuant to a merger, consolidation, share exchange, business combination or other similar transaction or to acquire all or substantially all of the assets of the Company, to the extent the Board, after consultation with independent counsel, determines in good faith that such action is required for the Board to comply with its fiduciary duty to stockholders imposed by Delaware Law. The Merger Agreement requires the Company immediately to cease and cause to be terminated all existing discussions or negotiations with any parties conducted prior to the date of the Merger Agreement with respect to any of the foregoing. The Company has also agreed to notify Parent promptly if any such proposal or offer, or any inquiry or contact with any person with respect thereto, is made and, in any such notice to Parent, to indicate in reasonable detail the identity of the person making such proposal, offer, inquiry or contact and the terms and conditions of such proposal, offer, inquiry or contact. The Company has also agreed not to release any third party from, or waive any provision of, any confidentiality or standstill agreement to which the Company is a party.

Pursuant to the Merger Agreement, Parent intends that, for a period of one year immediately following the Effective Time, it shall, or shall cause the Surviving Corporation to, continue to maintain employee benefit and welfare plans, programs, contracts, agreements, policies and executive incentives and perquisites, other than equity-based plans, for the benefit of active and retired employees of the Company or the Surviving Corporation which in the aggregate provide benefits that are no less favorable to employees than the benefits provided to such active and retired employees on the date of the Merger Agreement.

The Merger Agreement further provides that the By-laws of the Surviving Corporation shall contain provisions no less favorable with respect to indemnification, advancement of expenses and related matters than are set forth in Article VII of the By-laws of the Company as in affect on the date of the Merger Agreement, which provisions shall not be amended, repealed or otherwise modified for a period of three years from the Effective Time in any manner that would adversely affect the rights thereunder of individuals who at the Effective Time were directors, officers, employees, fiduciaries or agents of the Company, unless such modification shall be required by law.

The Merger Agreement also provides that the Company shall, to the fullest extent permitted under applicable law and regardless of whether the Merger becomes effective, indemnify and hold harmless, and after the Effective Time, the Surviving Corporation shall, to the fullest extent permitted under applicable law, indemnify and hold harmless, each present and former director, officer, employee, fiduciary and agent of the Company (collectively, the "Indemnified Parties") against all costs and expenses (including attorneys' fees), judgments, fines, losses, claims, damages, liabilities and settlement amounts paid in connection with any claim, action, suit, proceeding or investigation (whether arising before or after the Effective Time), whether civil, criminal, administrative or investigative, arising out of or pertaining to any action or omission in his or her capacity as an officer, director, employee, fiduciary or agent of the Company, whether occurring before or after the Effective Time, for a period of three years after the date of the Merger Agreement. In the event of any such claim, action, suit, proceeding or investigation, the Merger Agreement provides that (i) the Company or the Surviving Corporation, as the case may be, shall pay the reasonable fees and expenses of counsel selected by the Indemnified Parties, which counsel shall be reasonably satisfactory to the Company or the Surviving Corporation, promptly after statements therefor are received and (ii) the Company and the Surviving Corporation shall cooperate in the defense of any such matter; provided, however, that neither the Company nor the Surviving Corporation shall be liable for any settlement effected without its written consent (which consent may not be unreasonably withheld); and provided, further, that neither the Company nor the Surviving Corporation shall be obligated to pay the fees and expenses of more than one counsel for all Indemnified Parties in any single action except to the extent that two or more of such Indemnified Parties shall have conflicting interests in the outcome of such action; and provided, further, that, in the event that any claim for indemnification is asserted or made within such three-year period, all rights to indemnification in respect of such claim shall continue until the disposition of such claim.

Parent, Purchaser and the Company have also agreed that in the event the Company or the Surviving Corporation or any of their respective successors or assigns (i) consolidates with or merges into any other person and shall not be the continuing or surviving corporation or entity of such consolidation or merger or (ii) transfers all or substantially all of its properties and assets to any person, then and in each such case, proper provision shall be made so that the successors and assigns of the Company or the Surviving Corporation, as the case may be, or at Parent's option, Parent, shall assume the foregoing indemnity obligations.

The Merger Agreement provides that, subject to its terms and conditions, each of the parties thereto shall (i) make promptly its respective filings, and thereafter make any other required submissions, under the HSR Act with respect to the transactions contemplated by the Merger Agreement and (ii) use its reasonable best efforts to take, or cause to be taken, all appropriate action, and to do or cause to be done, all things necessary, proper or advisable under applicable laws and regulations to consummate and make effective the transactions contemplated by the Merger Agreement, including, without limitation, using its reasonable best efforts to obtain all licenses, permits (including, without limitation, environmental permits), consents, approvals, authorizations, qualifications and orders of governmental authorities and parties to contracts with the Company as are necessary for the consummation of such transactions and to fulfill the conditions to the Offer and the Merger.

In case at any time after the Effective Time any further action is necessary or desirable to carry out the purposes of the Merger Agreement, the proper officers and directors of each party to the Merger Agreement are required to use their reasonable best efforts to take all such action.

Representations and Warranties. The Merger Agreement contains various customary representations and warranties of the parties thereto including representations by the Company as to the absence of certain changes or events concerning the Company's business, compliance with law, litigation, employee benefit plans, labor matters, trademarks, patents and copyrights, environmental matters, material contracts, brokers, opinions from financial advisors and taxes.

Conditions to the Merger. Under the Merger Agreement, the respective obligations of each party to effect the Merger are subject to the satisfaction at or prior to the Effective Time of the following conditions: (a) the Merger Agreement and the transactions contemplated thereby shall have been approved and adopted by the affirmative vote of the stockholders of the Company to the extent required by Delaware Law and the Company's Certificate of Incorporation; (b) any waiting period (and any extension thereof) applicable to the consummation of the Merger under the HSR Act shall have expired or been terminated; (c) no foreign, United States or state court of competent jurisdiction shall have enacted, issued, promulgated, enforced or entered any law, rule, regulation, executive order, decree, injunction or other order (whether temporary, preliminary or permanent) which is then in effect and has the effect of making the acquisition of Shares by Parent or Purchaser or any affiliate of either of them illegal or otherwise restricting, preventing or prohibiting consummation of the transactions contemplated by the Merger Agreement; and (d) Purchaser or its permitted assignee shall have purchased all Shares validly tendered and not withdrawn pursuant to the Offer; provided, however, that this condition shall not be applicable to the obligations of Parent or Purchaser if, in breach of the Merger Agreement or the terms of the Offer, Purchaser fails to purchase any Shares validly tendered and not withdrawn pursuant to the Offer.

Termination; Fees and Expenses. The Merger Agreement provides that it may be terminated and the Merger and the other Transactions may be abandoned at any time prior to the Effective Time, notwithstanding any requisite approval and adoption of the Merger Agreement and such transactions by the stockholders of the Company: (a) by mutual written consent duly authorized by the Boards of Directors of Parent, Purchaser and the Company; (b) by either Parent, Purchaser or the Company if (i) the Effective Time shall not have occurred on or before March 31, 1996; provided, however, that the right to terminate the Merger Agreement shall not be available to any party whose failure to fulfill any obligation under the Merger Agreement has been the cause of, or resulted in, the failure of the Effective Time to occur on or before such date or (ii) any court of competent jurisdiction in the United States or other United States governmental authority shall have issued an order, decree or ruling or taken any other action restraining, enjoining or otherwise prohibiting the Merger

and such order, decree, ruling or other action shall have become final and nonappealable; (c) by Parent if (i) due to an occurrence or circumstance that would result in a failure to satisfy any condition set forth in Section 14 hereof, Purchaser shall have (A) failed to commence the Offer within 30 days following the date of the Merger Agreement, (B) terminated the Offer without having accepted any Shares for payment thereunder, or (C) failed to pay for Shares pursuant to the Offer within 60 days following the commencement of the Offer, unless such failure to pay for Shares shall have been caused by or resulted from the failure of Parent or Purchaser to perform in any material respect any material covenant or agreement of either of them contained in the Merger Agreement or the material breach by Parent or Purchaser of any material representation or warranty of either of them contained in the Merger Agreement or (ii) prior to the purchase of Shares pursuant to the Offer, the Board or any committee thereof shall have withdrawn or modified in a manner adverse to Purchaser or Parent its approval or recommendation of the Offer, the Merger Agreement, the Merger or any other Transaction or shall have recommended another merger, consolidation, business combination with, or acquisition of, the Company or its assets or another tender offer for Shares, or shall have resolved to do any of the foregoing; or (d) by the Company, upon approval of the Board, if (i) Purchaser shall have (A) failed to commence the Offer within 30 days following the date of the Merger Agreement, (B) terminated the Offer without having accepted any Shares for payment thereunder or (C) failed to pay for Shares pursuant to the Offer within 60 days following the commencement of the Offer, unless such failure to pay for Shares shall have been caused by or resulted from the failure of the Company to perform in any material respect any material covenant or agreement of it contained in the Merger Agreement or the material breach by the Company of any material representation or warranty of it contained in the Merger Agreement or (ii) prior to the purchase of Shares pursuant to the Offer, the Board shall have withdrawn or modified in a manner adverse to Purchaser or Parent its approval or recommendation of the Offer, the Merger Agreement or the Merger in order to approve the execution by the Company of a definitive agreement providing for the acquisition of the Company or its assets or a merger or other business combination or in order to approve a tender offer or exchange offer for Shares by a third party, in either case, as determined by the Board in the exercise of its good faith judgment and after consultation with its legal counsel and financial advisors, on terms more favorable to the Company's stockholders than the Offer and the Merger taken together; provided, however, that such termination shall not be effective until the Company has made payment to Parent of the Fee (as hereinafter defined) required to be paid pursuant to the Merger Agreement and has deposited with a mutually acceptable escrow agent $500,000 for reimbursement to Parent and Purchaser of Expenses (as hereinafter defined).

In the event of the termination of the Merger Agreement, the Merger Agreement provides that it shall forthwith become void and there shall be no liability thereunder on the part of any party thereto except under the provisions of the Merger Agreement related to fees and expenses described below and under certain other provisions of the Merger Agreement which survive termination.

The Merger Agreement provides that in the event that (a) any person shall have commenced a tender or exchange offer for 10% or more (or which, assuming the maximum amount of securities which could be purchased, would result in any person beneficially owning 10% or more) of the then outstanding Shares or otherwise for the direct or indirect acquisition of the Company or all or substantially all of its assets for per Share consideration having a value greater than the Per Share Amount (a "Competing Proposal") and (i) the Board does not recommend against the Competing Proposal, (ii) the Offer shall have remained open for at least 20 business days, (iii) the Minimum Condition shall not have been satisfied, and (iv) this Agreement shall have been terminated pursuant to the provisions described above; or (b) the Merger Agreement is terminated (i) pursuant to the provisions described in clause (c)(ii) or clause (d)(ii) of the second preceding paragraph; then, in any such event, the Company shall pay Parent promptly (but in no event later than one business day after the first of such events shall have occurred) a fee of $1,000,000 (the "Fee"), which amount shall be payable in immediately available funds, plus all Expenses up to $500,000 in the aggregate. The term "Expenses" shall mean all out-of-pocket expenses and fees of each of Parent, Purchaser and their respective shareholders and affiliates (including, without limitation, fees and expenses payable to all banks, investment banking firms, other financial institutions and other persons and their respective agents and counsel for arranging, committing to provide or providing any financing for the Transactions or structuring the Transactions and all fees of counsel, accountants, experts and consultants to Parent and Purchaser, and all

printing and advertising expenses and all costs and expenses incurred by or on behalf of Parent and Purchaser in connection with the collection under and enforcement of the preceding paragraph) actually incurred or accrued by either of them or on their behalf in connection with such transactions, including, without limitation, the financing thereof, and actually incurred or accrued by banks, investment banking firms, other financial institutions and other persons and assumed by Parent or Purchaser in connection with the negotiation, preparation, execution and performance of the Merger Agreement, the structuring and financing of such transactions, and any financing commitments or agreements relating thereto. Except as set forth in this paragraph, all costs and expenses incurred in connection with the Merger Agreement and such transactions shall be paid by the party incurring such expenses, whether or not such transactions are consummated.

THE STOCK PURCHASE AGREEMENT

The following is a summary of the Stock Purchase Agreement, a copy of which is filed as an Exhibit to the Schedule 14D-1. Such summary is qualified in its entirety by reference to the Stock Purchase Agreement.

Parent, Purchaser and the Stockholder have entered into the Stock Purchase Agreement pursuant to which the Stockholder has agreed to sell to the Purchaser 1,082,570 Shares at a per Share price equal to the per Share price payable in the Offer. In addition, the Stockholder has appointed Purchaser, or any nominee of Purchaser, during the term of the Stock Purchase Agreement as his attorney and proxy to vote each of the Shares subject to such agreement (i) in favor of the Merger Agreement and the transactions contemplated thereby, (ii) against any other proposal for the acquisition of the Company or its assets or a merger or other business combination of the Company with any third party, and (iii) against any other proposal that would, or is reasonably likely to, result in any of the conditions to Purchaser's obligations under the Merger Agreement not being fulfilled.

In addition, the Stockholder has agreed not to (i) take any action or omit to take any action that is inconsistent with compliance by the Company with the terms of the Merger Agreement and (ii) without the prior written consent of Purchaser, (x) sell, tender pursuant to the Offer or any other tender offer, pledge, encumber, assign, transfer, exchange or otherwise dispose of, or enter into any contract, option or other arrangement or understanding with respect to the sale, tender, pledge, encumbrance, assignment, transfer, exchange or disposition of, any of his Shares; (y) acquire any additional shares of Company Common Stock or warrants, options or other rights to purchase any Shares; or (z) grant any proxies (other than pursuant to the Stock Purchase Agreement) with respect to his Shares, deposit any of his Shares into a voting trust or enter into a voting agreement with respect to any of his Shares.

The obligations of the Stockholder and Purchaser to consummate the purchase and sale contemplated by the Stock Purchase Agreement are subject to (i) any waiting periods under the HSR Act applicable to the purchase of the Shares having been expired or terminated, (ii) there being no preliminary or permanent injunction or other order by any court of competent jurisdiction prohibiting or otherwise restraining such purchase and sale, (iii) the Stockholder having continued to be employed as Chief Executive Officer of the Company with duties and responsibilities comparable to the duties and responsibilities he has performed in the past and having entered into an employment agreement (described below) with the Company substantially in the form attached as an exhibit to the Stock Purchase Agreement (iv) no event or events shall have occurred or be reasonably likely to occur which have, or could reasonably be expected to have, a Material Adverse Effect (as defined in the Stock Purchase Agreement) on the Company, and (v) all conditions to Purchaser's obligations to accept for payment the Shares tendered pursuant to the Offer having been satisfied.

The Stock Purchase Agreement contains various customary representations and warranties of the parties thereto, including a representation by the Stockholder that all of the representations and warranties of the Company in the Merger Agreement are true, complete and correct.

The Stock Purchase Agreement provides that the Stockholder shall indemnify Parent and any subsidiary or affiliate of Parent, and any director, officer or employee of the foregoing, against and hold each of them harmless from all losses arising out of the breach of any representation or warranty or of any covenant or agreement of the Stockholder contained in the Stock Purchase Agreement. The Stock Purchase Agreement also provides that Parent and Purchaser, jointly and severally, shall indemnify the Stockholder against and

hold the Stockholder harmless from all losses arising out of the breach of certain representations and warranties and of any covenant or agreement of Parent or Purchaser contained in the Stock Purchase Agreement. The maximum amount of loss which may be recovered by Parent from the Stockholder is an amount equal to the aggregate price paid to the Stockholder for his Shares, except that for a breach of his representation that the Company's representations and warranties contained in the Merger Agreement are true, complete and correct the maximum amount is $2,000,000. The maximum amount of loss which may be recovered by the Stockholder from Parent and Purchaser is an amount equal to the aggregate purchase price paid to the Stockholder for his Shares.

THE EMPLOYMENT AGREEMENT AND THE CONSULTING AGREEMENT

The following is a summary of the form of Employment Agreement to be entered into by the Company and Robert W. Nolan, Sr., President and Chief Executive Officer of the Company, a copy of which is filed as an exhibit to the Schedule 14D-1 and of the form of Consulting Agreement which is attached to the Employment Agreement as an exhibit. Such summary is qualified in its entirety by reference to the Employment Agreement and the Consulting Agreement.

As of the Effective Time of the Merger Agreement, the Company will enter into an Employment Agreement and a Consulting Agreement with Mr. Nolan. The Employment Agreement has a term of five years, subject to earlier termination and the Consulting Agreement has a term of three years to commence upon the earlier of expiration of the term of the Employment Agreement or termination of Mr. Nolan's employment thereunder. Under the Employment Agreement, Mr. Nolan will receive an initial annual salary of $260,000 which will be increased each year to reflect any increase in the consumer price index for all urban consumers in the St. Louis, Missouri area for the prior calendar year. Mr. Nolan will be eligible for two types of incentive compensation, the amounts of which will be based on Company performance: (i) an annual bonus payable each year during the term of the Employment Agreement, and (ii) a long-term incentive payment ("LTIP") payable in the third, fourth and fifth years of the Employment Agreement. Neither incentive payment will be payable unless certain levels of Company performance are reached. Eligibility for further incentive payments ceases upon termination of the Employment Agreement, except as provided below. The Employment Agreement may be terminated by either party for any reason at any time prior to its expiration. If Mr. Nolan resigns during the first two years of the term or is terminated at any time for cause, he will receive no severance payments. If he resigns during the third, fourth or fifth years of the term, Mr. Nolan will be entitled to continue to receive, as severance, his then base salary for one year following the date of resignation. If the Employment Agreement is terminated by reason of Mr. Nolan's death or disability or if the Company terminates his employment either without cause or for failure of the Company to meet minimum financial performance standards, he will be entitled to continue to receive, as severance, his then base salary for two years from the date of termination. In addition, if termination is by reason of death or disability or is without cause, Mr. Nolan shall be entitled to receive the annual bonus amount he would have received for the year in which the termination occurs based on the approved budget for such year. Further, if such termination by reason of death or disability or without cause occurs in the second or third year of the term, he will be entitled to receive a pro-rated portion of any LTIP he would have been entitled to receive in the third year based on the approved budget for the third year and if the termination occurs in the fourth or fifth year of the term, he will be entitled to the full LTIP he would have been entitled to receive in the year of termination based on the approved budget for such year. The Consulting Agreement, the term of which follows that of the Employment Agreement, provides for a total fee of $1,050,000, payable monthly over the three year term at an initial annual rate of $400,000 which will decrease to $250,000 in the final year of the term. For two years from the termination date of the Employment Agreement, Mr. Nolan has agreed not to compete with the Company and for three years from the termination of the Employment Agreement Mr. Nolan has agreed not to solicit or hire any of its employees (excluding Robert W. Nolan, Jr.) and consultants. Mr. Nolan has also agreed to protect the status of all confidential information relating to the Company.

11. Purpose of the Offer; Plans for the Company After the Offer and the Merger.

Purpose of the Offer. The purpose of the Offer and the Merger is for Parent to acquire control of, and the entire equity interest in, the Company. The purpose of the Merger is for Parent to acquire all Shares not purchased pursuant to the Offer. Upon consummation of the Merger, the Company will become a direct wholly owned subsidiary of Parent. The Offer is being made pursuant to the Merger Agreement.

Under Delaware Law, the approval of the Board and the affirmative vote of the holders of a majority of the outstanding Shares is required to approve and adopt the Merger Agreement and the transactions contemplated thereby, including the Merger. The Board of Directors of the Company has approved and adopted the Merger Agreement and the transactions contemplated thereby, and, unless the Merger is consummated pursuant to the short-form merger provisions under Delaware Law described below, the only remaining required corporate action of the Company is the approval and adoption of the Merger Agreement and the transactions contemplated thereby by the affirmative vote of the holders of a majority of the Shares.
Accordingly, if the Minimum Condition is satisfied, Purchaser will have sufficient voting power to cause the approval and adoption of the Merger Agreement and the transactions contemplated thereby without the affirmative vote of any other stockholder of the Company.

In the Merger Agreement, the Company has agreed to take all action necessary to convene the Stockholders Meeting as soon as practicable after the consummation of the Offer, if such action is required by Delaware Law in order to consummate the Merger. Parent and Purchaser have agreed that all Shares owned by them and their subsidiaries will be voted in favor of the Merger Agreement and the transactions contemplated thereby.

If Purchaser purchases Shares pursuant to the Offer, the Merger Agreement provides that Purchaser will be entitled to designate representatives to serve on the Board in proportion to Purchaser's ownership of Shares following such purchase. See Section 10. Purchaser expects that such representation would permit Purchaser to exert substantial influence over the Company's conduct of its business and operations.

Under Delaware Law, if Purchaser acquires, pursuant to the Offer or otherwise, at least 90% of the outstanding Shares, Purchaser will be able to approve the Merger without a vote of the Company's stockholders. If, however, Purchaser does not acquire at least 90% of the outstanding Shares pursuant to the Offer or otherwise and a vote of the Company's stockholders is required under Delaware Law, a significantly longer period of time would be required to effect the Merger.

Appraisal Rights. No appraisal rights are available in connection with the Offer. However, if the Merger is consummated, stockholders will have certain rights under Delaware Law to dissent and demand appraisal of, and to receive payment in cash of the fair value of, their Shares. Such rights to dissent, if the statutory procedures are complied with, could lead to a judicial determination of the fair value of the Shares, as of the Effective Time (excluding any element of value arising from the accomplishment or expectation of the Merger), required to be paid in cash to such dissenting holders for their Shares. In addition, such dissenting stockholders would be entitled to receive payment of a fair rate of interest from the date of consummation of the Merger on the amount determined to be the fair value of their Shares. In determining the fair value of the Shares, the court is required to take into account all relevant factors. Accordingly, such determination could be based upon considerations other than, or in addition to, the market value of the Shares, including, among other things, asset values and earning capacity. In Weinberger v. UOP, Inc., the Delaware Supreme Court stated, among other things, that "proof of value by any techniques or methods which are generally considered acceptable in the financial community and otherwise admissible in court" should be considered in an appraisal proceeding. Therefore, the value so determined in any appraisal proceeding could be the same, more or less than the purchase price per Share in the Offer or the Merger Consideration.

In addition, several decisions by Delaware courts have held that, in certain circumstances, a controlling stockholder of a company involved in a merger has a fiduciary duty to other stockholders which requires that the merger be fair to such other stockholders. In determining whether a merger is fair to minority stockholders, Delaware courts have considered, among other things, the type and amount of consideration to be received by the stockholders and whether there was fair dealing among the parties. The Delaware Supreme

Court stated in Weinberger and Rabkin v. Philip A. Hunt Chemical Corp. that the remedy ordinarily available to minority stockholders in a cash-out merger is the right to appraisal described above. However, a damages remedy or injunctive relief may be available if a merger is found to be the product of procedural unfairness, including fraud, misrepresentation or other misconduct.

The Commission has adopted Rule 13e-3 under the Exchange Act which is applicable to certain "going private" transactions and which may under certain circumstances be applicable to the Merger or another business combination following the purchase of Shares pursuant to the Offer in which Purchaser seeks to acquire the remaining Shares not held by it. Purchaser believes, however, that Rule 13e-3 will not be applicable to the Merger. Rule 13e-3 requires, among other things, that certain financial information concerning the Company and certain information relating to the fairness of the proposed transaction and the consideration offered to minority stockholders in such transaction, be filed with the Commission and disclosed to stockholders prior to consummation of the transaction.

Plans for the Company. It is expected that, initially following the Merger, the business and operations of the Company will, except as set forth in this Offer to Purchase, be continued by the Company substantially as they are currently being conducted. Parent will continue to evaluate the business and operations of the Company during the pendency of the Offer and after the consummation of the Offer and the Merger, and will take such actions as it deems appropriate under the circumstances then existing. Parent intends to seek additional information about the Company during this period. Thereafter, Parent intends to review such information as part of a comprehensive review of the Company's business, operations, capitalization and management with a view to optimizing the Company's potential in conjunction with Parent's businesses.

Except as indicated in this Offer to Purchase, Parent does not have any present plans or proposals which relate to or would result in an extraordinary corporate transaction, such as a merger, reorganization or liquidation, involving the Company, a sale or transfer of a material amount of assets of the Company or any material change in the Company's capitalization or dividend policy or any other material changes in the Company's corporate structure or business, or the composition of the Board or the Company's management.

12. Dividends and Distributions. The Merger Agreement provides that the Company shall not, between the date of the Merger Agreement and the Effective Time, without the prior written consent of Parent, (a) issue, sell, pledge, dispose of, grant, encumber, or authorize the issuance, sale, pledge, disposition, grant or encumbrance of any shares of capital stock of any class of the Company or any options, warrants, convertible securities or other rights of any kind to acquire any shares of such capital stock, or any other ownership interest (including, without limitation, any phantom interest), of the Company (except for the issuance of a maximum of 130,000 Shares issuable pursuant to options outstanding on the date of the Merger Agreement) or (b) reclassify, combine, split, subdivide or redeem, purchase or otherwise acquire, directly or indirectly, any of its capital stock. See Section 10. If, however, the Company should, during the pendency of the Offer, (i) split, combine or otherwise change the Shares or its capitalization, (ii) acquire or otherwise cause a reduction in the number of outstanding Shares or (iii) issue or sell any additional Shares, shares of any other class or series of capital stock, other voting securities or any securities convertible into, or options, rights, or warrants, conditional or otherwise, to acquire, any of the foregoing, then, without prejudice to Purchaser's rights under Section 14, Purchaser may (subject to the provisions of the Merger Agreement) make such adjustments to the purchase price and other terms of the Offer (including the number and type of securities to be purchased) as it deems appropriate to reflect such split, combination or other change.

If, on or after December 19, 1995, the Company should declare or pay any dividend on the Shares or make any other distribution (including the issuance of additional shares of capital stock pursuant to a stock dividend or stock split, the issuance of other securities or the issuance of rights for the purchase of any securities) with respect to the Shares that is payable or distributable to stockholders of record on a date prior to the transfer to the name of Purchaser or its nominee or transferee on the Company's stock transfer records of the Shares purchased pursuant to the Offer, then, without prejudice to Purchaser's rights under Section 14, (i) the purchase price per Share payable by Purchaser pursuant to the Offer will be reduced (subject to the Merger Agreement) to the extent any such dividend or distribution is payable in cash and (ii) any non-cash dividend, distribution or right shall be received and held by the tendering stockholder for the account of

Purchaser and will be required to be promptly remitted and transferred by each tendering stockholder to the Depositary for the account of Purchaser, accompanied by appropriate documentation of transfer. Pending such remittance and subject to applicable law, Purchaser will be entitled to all the rights and privileges as owner of any such non-cash dividend, distribution or right and may withhold the entire purchase price or deduct from the purchase price the amount or value thereof, as determined by Purchaser in its sole discretion.

13. Effect of the Offer on the Market for the Shares, NASDAQ Quotation and Exchange Act Registration. The purchase of Shares by Purchaser pursuant to the Offer will reduce the number of Shares that might otherwise trade publicly and will reduce the number of holders of Shares, which could adversely affect the liquidity and market value of the remaining Shares held by the public.

Parent intends to cause the delisting of the Shares by the NASDAQ Small Cap Market following consummation of the Offer.

Depending upon the number of Shares purchased pursuant to the Offer, the Shares may no longer meet the standards for continued inclusion in the NASDAQ Small Cap Market. According to the NASDAQ Small Cap Market's published guidelines, the Shares would not be eligible to be included for listing if, among other things, the number of record holders of Shares falls below 300, the number of publicly held Shares falls below 100,000 or the aggregate market value of publicly held Shares falls below $200,000. Furthermore, if such standards are not met, quotations may not continue to be published in the over-the-counter "additional list" or in one of the "local lists." Shares held directly or indirectly by an officer or director of the Company or by any beneficial owner of more than 10% of the Shares will ordinarily not be considered as being publicly held for this purpose. In the event the Shares were no longer eligible for NASDAQ quotation, quotations might still be available from other sources. The extent of the public market for the Shares and the availability of such quotations would, however, depend upon the number of holders of such Shares remaining at such time, the interest in maintaining a market in such Shares on the part of securities firms, the possible termination of registration of such Shares under the Exchange Act as described below and other factors.

The Shares are currently "margin securities," as such term is defined under the rules of the Board of Governors of the Federal Reserve System (the "Federal Reserve Board"), which has the effect, among other things, of allowing brokers to extend credit on the collateral of such securities. Depending upon factors similar to those described above regarding listing and market quotations, following the Offer it is possible that the Shares might no longer constitute "margin securities" for purposes of the margin regulations of the Federal Reserve Board, in which event such Shares could no longer be used as collateral for loans made by brokers.

The Shares are currently registered under the Exchange Act. Such registration may be terminated upon application by the Company to the Commission if the Shares are not listed on a national securities exchange and there are fewer than 300 record holders. The termination of the registration of the Shares under the Exchange Act would substantially reduce the information required to be furnished by the Company to holders of Shares and to the Commission and would make certain provisions of the Exchange Act, such as the short-swing profit recovery provisions of Section 16(b), the requirement of furnishing a proxy statement in connection with stockholders' meetings and the requirements of Rule 13e-3 under the Exchange Act with respect to "going private" transactions, no longer applicable to the Shares. In addition, "affiliates" of the Company and persons holding "restricted securities" of the Company may be deprived of the ability to dispose of such securities pursuant to Rule 144 promulgated under the Securities Act of 1933, as amended. If registration of the Shares under the Exchange Act were terminated, the Shares would no longer be "margin securities" or be eligible for NASDAQ reporting. Purchaser currently intends to seek to cause the Company to terminate the registration of the Shares under the Exchange Act as soon after consummation of the Offer as the requirements for termination of registration are met.

14. Certain Conditions of the Offer. Notwithstanding any other provision of the Offer, Purchaser shall not be required to accept for payment or pay for any Shares tendered pursuant to the Offer, and may terminate or amend the Offer and may postpone the acceptance for payment of and payment for, Shares tendered, if (i) the Minimum Condition shall not have been satisfied, (ii) any applicable waiting period under the HSR Act shall not have expired or been terminated prior to the expiration of the Offer or (iii) at any time on or

after the date of the Merger Agreement, and prior to the acceptance for payment of Shares, any of the following conditions shall exist:

(a) there shall have been instituted or be pending any action or proceeding before any court or governmental, administrative or regulatory authority or agency, domestic or foreign, (i) challenging or seeking to make illegal, materially delay or otherwise directly or indirectly restrain or prohibit or make materially more costly the making of the Offer, the acceptance for payment of, or payment for, any Shares by Parent, Purchaser or any other affiliate of Parent or the consummation of any other transaction contemplated by the Merger Agreement, or seeking to obtain material damages in connection with any transaction contemplated by the Merger Agreement; (ii) seeking to prohibit or limit materially the ownership or operation by the Company, Parent or any of its subsidiaries of all or any material portion of the business or assets of the Company, Parent or any of its subsidiaries, or to compel the Company, Parent or any of its subsidiaries to dispose of or hold separate all or any material portion of the business or assets of the Company, Parent or any of its subsidiaries, as a result of the transactions contemplated by the Merger Agreement; (iii) seeking to impose limitations on the ability of Parent, Purchaser or any other affiliate of Parent to exercise effectively full rights of ownership of any Shares, including, without limitation, the right to vote any Shares acquired by Purchaser pursuant to the Offer, the Stock Purchase Agreement or otherwise on all matters properly presented to the Company's stockholders, including, without limitation, the approval and adoption of the Merger Agreement and the transactions contemplated thereby; (iv) seeking to require divestiture by Parent, Purchaser or any other affiliate of Parent of any Shares; or (v) which otherwise has a Materially Adverse Effect (as defined in the Merger Agreement) or which is reasonably likely to materially adversely affect the business, operations, properties, condition (financial or otherwise), assets or liabilities (including, without limitation, contingent liabilities) or prospects of Parent;

(b) there shall have been any action taken, or any statute, rule, regulation, legislation, interpretation, judgment, order or injunction enacted, entered, enforced, promulgated, amended, issued or deemed applicable to (i) Parent, the Company or any subsidiary or affiliate of Parent or the Company or (ii) any transaction contemplated by the Merger Agreement, by any legislative body, court, government or governmental, administrative or regulatory authority or agency, domestic or foreign, other than the routine application of the waiting period provisions of the HSR Act to the Offer, the Stock Purchase Agreement or the Merger, which is reasonably likely to result, directly or indirectly, in any of the consequences referred to in clauses (i) through (v) of paragraph (a) above;

(c) there shall have occurred any change, condition, event or development that, when taken together with all such other changes, conditions, events and developments, has a Material Adverse Effect;

(d) (i) it shall have been publicly disclosed or Purchaser shall have otherwise learned that beneficial ownership (determined for the purposes of this paragraph as set forth in Rule 13d-3 promulgated under the Exchange Act) of 25% or more of the then outstanding Shares has been acquired by any person, other than Parent or any of its affiliates or Mr. Robert W. Nolan, Sr. or (ii) (A) the Board or any committee thereof shall have withdrawn or modified in a manner adverse to Parent or Purchaser the approval or recommendation of the Offer, the Merger, the Merger Agreement, or approved or recommended any takeover proposal or any other acquisition of Shares other than the Offer and the Merger or (B) the Board or any committee thereof shall have resolved to do any of the foregoing;

(e) any representation or warranty of the Company in the Merger Agreement which is qualified as to materiality shall not be true and correct or any such representation or warranty that is not so qualified shall not be true and correct in any material respect, in each case as if such representation or warranty was made as of such time on or after the date of the Merger Agreement;

(f) the Company shall have failed to perform in any material respect any obligation or to comply in any material respect with any agreement or covenant of the Company to be performed or complied with by it under the Merger Agreement;

(g) the Merger Agreement shall have been terminated in accordance with its terms; or

(h) Purchaser and the Company shall have agreed that Purchaser shall terminate the Offer or postpone the acceptance of or payment for Shares thereunder;

which, in the reasonable judgment of Purchaser in any such case, and regardless of the circumstances (including any action or inaction by Parent or any of its affiliates) giving rise to any such condition, makes it inadvisable to proceed with such acceptance for payment or payment.

The foregoing conditions are for the sole benefit of Purchaser and Parent and may be asserted by Purchaser or Parent regardless of the circumstances giving rise to any such condition or may be waived by Purchaser or Parent in whole or in part at any time and from time to time in their sole discretion. The failure by Parent or Purchaser at any time to exercise any of the foregoing rights shall not be deemed a waiver of any such right; the waiver of any such right with respect to particular facts and other circumstances shall not be deemed a waiver with respect to any other facts and circumstances; and each such right shall be deemed an ongoing right that may be asserted at any time and from time to time.

15. Certain Legal Matters and Regulatory Approvals.

General. Based upon its examination of publicly available information with respect to the Company, the review of certain information furnished by the Company to Parent and discussions of representatives of Parent with representatives of the Company during Parent's investigation of the Company (see Section 10), neither Purchaser nor Parent is aware of any license or other regulatory permit that appears to be material to the business of the Company, which might be adversely affected by the acquisition of Shares by Purchaser pursuant to the Offer or the Stock Purchase Agreement or, except as set forth below, of any approval or other action by any domestic (federal or state) or foreign governmental, administrative or regulatory authority or agency which would be required prior to the acquisition of Shares by Purchaser pursuant to the Offer or the Stock Purchase Agreement. Should any such approval or other action be required, it is Purchaser's present intention to seek such approval or action. Purchaser does not currently intend, however, to delay the purchase of Shares tendered pursuant to the Offer pending the outcome of any such action or the receipt of any such approval (subject to Purchaser's right to decline to purchase Shares if any of the conditions in Section 14 shall have occurred). There can be no assurance that any such approval or other action, if needed, would be obtained without substantial conditions or that adverse consequences might not result to the business of the Company, Purchaser or Parent or that certain parts of the businesses of the Company, Purchaser or Parent might not have to be disposed of or held separate or other substantial conditions complied with in order to obtain such approval or other action or in the event that such approval was not obtained or such other action was not taken. Purchaser's obligation under the Offer to accept for payment and pay for Shares is subject to certain conditions, including conditions relating to the legal matters discussed in this Section 15. See Section 14.

State Takeover Laws. The Company is incorporated under the laws of the State of Delaware. In general, Section 203 of Delaware Law prevents an "interested stockholder" (generally a person who owns or has the right to acquire 15% or more of a corporation's outstanding voting stock, or an affiliate or associate thereof) from engaging in a "business combination" (defined to include mergers and certain other transactions) with a Delaware corporation for a period of three years following the date such person became an interested stockholder unless, among other things, prior to such date the board of directors of the corporation approved either the business combination or the transaction in which the interested stockholder became an interested stockholder. On December 14, 1995, prior to the execution of the Merger Agreement, the Board of Directors of the Company, by vote of all directors present at a meeting held on such date (other than Mr. Robert W. Nolan, Sr., who abstained), approved the Merger Agreement and determined that each of the Offer and the Merger is fair to, and in the best interest of, the stockholders of the Company. Accordingly, Section 203 is inapplicable to the Offer and the Merger.

A number of other states have adopted laws and regulations applicable to attempts to acquire securities of corporations which are incorporated, or have substantial assets, stockholders, principal executive offices or principal places of business, or whose business operations otherwise have substantial economic effects, in such states. In Edgar v. MITE Corp., the Supreme Court of the United States invalidated on constitutional grounds the Illinois Business Takeover Statute, which, as a matter of state securities law, made takeovers of

corporations meeting certain requirements more difficult. However, in 1987 in CTS Corp. v. Dynamics Corp. of America, the Supreme Court held that the State of Indiana may, as a matter of corporate law and, in particular, with respect to those aspects of corporate law concerning corporate governance, constitutionally disqualify a potential acquiror from voting on the affairs of a target corporation without the prior approval of the remaining stockholders. The state law before the Supreme Court was by its terms applicable only to corporations that had a substantial number of stockholders in the state and were incorporated there.

The Company conducts business in a number of states throughout the United States, some of which have enacted takeover laws. Purchaser does not know whether any of these laws will, by their terms, apply to the Offer or the Merger and has not complied with any such laws. Should any person seek to apply any state takeover law, Purchaser will take such action as then appears desirable, which may include challenging the validity or applicability of any such statute in appropriate court proceedings. In the event it is asserted that one or more state takeover laws is applicable to the Offer or the Merger, and an appropriate court does not determine that it is inapplicable or invalid as applied to the Offer, Purchaser might be required to file certain information with, or receive approvals from, the relevant state authorities. In addition, if enjoined, Purchaser might be unable to accept for payment any Shares tendered pursuant to the Offer, or be delayed in continuing or consummating the Offer, and the Merger. In such case, Purchaser may not be obligated to accept for payment any Shares tendered. See Section 14.

Antitrust. Under the HSR Act and the rules that have been promulgated thereunder by the FTC, certain acquisition transactions may not be consummated unless certain information has been furnished to the Antitrust Division and the FTC and certain waiting period requirements have been satisfied. The acquisition of Shares by Purchaser pursuant to the Offer and the Stock Purchase Agreement is subject to such requirements. See Section 2.

Pursuant to the HSR Act, on or about December 27, 1995, Parent filed a Premerger Notification and Report Form in connection with the purchase of Shares pursuant to the Offer and the Stock Purchase Agreement with the Antitrust Division and the FTC. Under the provisions of the HSR Act applicable to the Offer, the purchase of Shares pursuant to the Offer may not be consummated until the expiration of a 15-calendar day waiting period following the filing by Parent. Accordingly, the waiting period under the HSR Act applicable to the purchase of Shares pursuant to the Offer will expire at 12:00 Midnight, New York City time, on or about Thursday, January 11, 1996, unless such waiting period is earlier terminated by the FTC and the Antitrust Division or extended by a request from the FTC or the Antitrust Division for additional information or documentary material prior to the expiration of the waiting period. Pursuant to the HSR Act, Parent has requested early termination of the waiting period applicable to the Offer. There can be no assurance, however, that the 15-day HSR Act waiting period will be terminated early. If either the FTC or the Antitrust Division were to request additional information or documentary material from Parent with respect to the Offer, the waiting period with respect to the Offer would expire at 12:00 Midnight, New York City time, on the tenth calendar day after the date of substantial compliance by Parent with such request. Thereafter, the waiting period could be extended only by court order. If the acquisition of Shares is delayed pursuant to a request by the FTC or the Antitrust Division for additional information or documentary material pursuant to the HSR Act, the Offer may, but need not, be extended and, in any event, the purchase of and payment for Shares will be deferred until 10 days after the request is substantially complied with, unless the extended period expires on or before the date when the initial 15-day period would otherwise have expired, or unless the waiting period is sooner terminated by the FTC and the Antitrust Division. Only one extension of such waiting period pursuant to a request for additional information is authorized by the HSR Act and the rules promulgated thereunder, except by court order. Any such extension of the waiting period will not give rise to any withdrawal rights not otherwise provided for by applicable law. See Section 4. It is a condition to the Offer that the waiting period applicable under the HSR Act to the Offer expire or be terminated. See Section 2 and Section 14.

The FTC and the Antitrust Division frequently scrutinize the legality under the antitrust laws of transactions such as the proposed acquisition of Shares by Purchaser pursuant to the Offer. At any time before or after the purchase of Shares pursuant to the Offer by Purchaser, the FTC or the Antitrust Division could take such action under the antitrust laws as it deems necessary or desirable in the public interest, including

seeking to enjoin the purchase of Shares pursuant to the Offer or seeking the divestiture of Shares purchased by Purchaser or the divestiture of substantial assets of the Company, Parent or any of its subsidiaries. Private parties and state attorneys general may also bring legal action under federal or state antitrust laws under certain circumstances. Based upon an examination of information available to Parent relating to the businesses in which the Company, Parent or any of its subsidiaries are engaged, Parent and Purchaser believe that the Offer will not violate the antitrust laws. Nevertheless, there can be no assurance that a challenge to the Offer on antitrust grounds will not be made or, if such a challenge is made, what the result would be. See Section 14 for certain conditions to the Offer, including conditions with respect to litigation.

16. Fees and Expenses. Except as set forth below, Purchaser will not pay any fees or commissions to any broker, dealer or other person for soliciting tenders of Shares pursuant to the Offer.

Purchaser and Parent have retained Georgeson & Company Inc., as the Information Agent, and Chemical Bank, as the Depositary, in connection with the Offer. The Information Agent may contact holders of Shares by mail, telephone, telex, telecopy, telegraph and personal interview and may request banks, brokers, dealers and other nominee stockholders to forward materials relating to the Offer to beneficial owners.

As compensation for acting as Information Agent in connection with the Offer, Georgeson & Company Inc. will be paid a fee of $6,000 and will also be reimbursed for certain out-of-pocket expenses and may be indemnified against certain liabilities and expenses in connection with the Offer, including certain liabilities under the federal securities laws. Purchaser will pay the Depositary reasonable and customary compensation for its services in connection with the Offer, plus reimbursement for out-of-pocket expenses, and will indemnify the Depositary against certain liabilities and expenses in connection therewith, including under federal securities laws. Brokers, dealers, commercial banks and trust companies will be reimbursed by Purchaser for customary handling and mailing expenses incurred by them in forwarding material to their customers.

17. Miscellaneous. The Offer is being made solely by this Offer to Purchase and the related Letter of Transmittal and is being made to all holders of Shares. Purchaser is not aware of any jurisdiction where the making of the Offer is prohibited by any administrative or judicial action pursuant to any valid state statute. If Purchaser becomes aware of any valid state statute prohibiting the making of the Offer or the acceptance of Shares pursuant thereto, Purchaser will make a good faith effort to comply with any such state statute. If, after such good faith effort, Purchaser cannot comply with any such state statute, the Offer will not be made to (nor will tenders be accepted from or on behalf of) the holders of Shares in such state. In any jurisdiction where the securities, blue sky or other laws require the Offer to be made by a licensed broker or dealer, the Offer shall be deemed to be made on behalf of Purchaser by one or more registered brokers or dealers licensed under the laws of such jurisdiction.

NO PERSON HAS BEEN AUTHORIZED TO GIVE ANY INFORMATION OR MAKE ANY REPRESENTATION ON BEHALF OF PURCHASER, PARENT OR THE COMPANY NOT CONTAINED IN THIS OFFER TO PURCHASE OR IN THE LETTER OF TRANSMITTAL, AND IF GIVEN OR MADE, SUCH INFORMATION OR REPRESENTATION MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED.

Pursuant to Rule 14d-3 of the General Rules and Regulations under the Exchange Act, Parent and Purchaser have filed with the Commission the Schedule 14D-1, together with exhibits, furnishing certain additional information with respect to the Offer. The Schedule 14D-1 and any amendments thereto, including exhibits, may be inspected at, and copies may be obtained from, the same places and in the same manner as set forth in Section 7 (except that they will not be available at the regional offices of the Commission).

SCS SUBSIDIARY, INC.

December 27, 1995

SCHEDULE I

DIRECTORS AND EXECUTIVE OFFICERS OF

PARENT AND PURCHASER

1. Directors and Executive Officers of TTC. The following table sets forth the name, current business address, citizenship and present principal occupation or employment, and material occupations, positions, offices or employments and business addresses thereof for the past five years of each director and executive officer of TTC. Except for W. Michael Brown, who is a citizen of both Great Britain and the United States, Alan M. Lewis, who is a citizen of Canada, Great Britain, and South Africa, Paul Brett, Nigel R. Harrison, David J. Hulland, Martin B. Jones, Andrew G. Mills and J. Gordon Paul who are citizens of Great Britain and Richard J. Harrington who is a citizen of the United States, each such person is a citizen of Canada. Unless otherwise indicated, each occupation set forth opposite an individual's name refers to employment with TTC.

Name, Age and Current Business Address	Present Principal Occupation or Employment; Material Positions Held During the Past Five Years and Business Addresses Thereof
Kenneth R. Thomson, 72..... The Woodbridge Company Limited 65 Queen Street West Toronto, Ontario M5H 2M8 Canada	Chairman of TTC since July 1978. Director of TTC since July 1976. Chairman of the Woodbridge Company Limited, 65 Queen Street West, Toronto, Ontario, M5H 2M8, Canada, since March 1979. Director of the Woodbridge Company Limited since August 1956. See Parent, below.
John A. Tory, 65..... The Woodbridge Company Limited 65 Queen Street West Toronto, Ontario M5H 2M8 Canada	Deputy Chairman of TTC since February 1978. Director of TTC since February 1978. Director of Abitibi-Price, Inc., 207 Queens Quay West, Toronto, Ontario, M5J 2P5, Canada, since September 1965. Director of Rogers Communications Inc., 40 King Street West, Toronto, Ontario, M5H 3Y2, Canada, since December 1979. Director, Sun Life Insurance Company of Canada, 150 King Street West, Toronto, Ontario, M5H 1J9, Canada, from December 1971 to 1994. Director and President of the Woodbridge Company Limited, 65 Queen Street West, Toronto, Ontario, M5H 2M8, Canada, since October 1967 and March 1979, respectively. Director of Hudson's Bay Company, 401 Bay Street, Toronto, Ontario M5H 2Y4, Canada, since May 1979. Deputy Chairman and Director of Markborough Properties Inc., One Dundas Street West, Suite 2800, Toronto, Ontario M5G 2J2, since September 1989. Director of The Thomson Corporation PLC, First Floor, the Quandrangle, 180 Wardour Street, W1A 4YG, England, since December 1977. Director of the Royal Bank of Canada, 200 King Street West, Toronto, Ontario, M5H 1CA, Canada, since March 1971. See Parent, below.
W. Michael Brown, 60..... The Thomson Corporation Metro Center One Station Place Stamford, Connecticut 06902	Director of TTC since July 1978. President of TTC since December 1984. Director of Hudson's Bay Company, 401 Bay Street, Toronto, Ontario, M5H 2Y4, Canada since 1985. Director of Southwestern Area Commerce and Industry Association, One Landmark Square, Stamford, Connecticut 06901, since November 1994. Director of Markborough Properties Inc., One Dundas Street West, Suite 2800, Toronto, Ontario, M5H 2Y4, Canada, since April 1990. See Parent and Purchaser, below.

Name, Age and Current Business Address	Present Principal Occupation or Employment; Material Positions Held During the Past Five Years and Business Addresses Thereof
Ronald D. Barbaro, 64..... Waldorf Astoria Hotel 301 Park Avenue Suite 13R New York, New York 10022	Director of TTC since May 1993. Chairman of Prudential of America Life Insurance Company of Canada, c/o Prudential of America Insurance Co. (Canada), 200 Consilium Place, Scarborough, Ontario, M1H 3E6, Canada, since 1992. President of Prudential Insurance Company of America, Inc., 260 Madison Avenue, Second Floor, New York, New York 10116, from 1990 to 1993. President of Worldwide Operations Prudential Insurance Company of America-Canada, from 1985 to 1990.
Paul Brett, 51..... Thomson Travel Group Britannia House Airport Approach Road London Luton Airport Luton, Bedfordshire LU2 9ND England	Director of TTC since June 1989. Executive Vice President of TTC since June 1989. Chairman and Chief Executive Officer of Thomson Travel Group, Britannia House, Airport Approach Road, London Luton Airport, Luton, Bedfordshire, LU2 9ND, England, since March 1989.
William J. DesLauries, 67..... Tory, Tory, DesLauries & Binnington Suite 3000 Aetna Tower P.O. Box 270 Toronto-Dominion Centre Toronto, Ontario M5K 1N2 Canada	Director of TTC since July 1978. Partner in Tory, Tory, DesLauries & Binnington, Suite 3000, Aetna Tower, P.O. Box 270, Toronto-Dominion Centre, Toronto, Ontario M5K 1N2, since July 1963.
John F. Fraser, 65..... Russel Metals, Inc. Suite 600 One Lombard Place Winnipeg, Manitoba R3B OX3 Canada	Director of TTC since June 1989. Vice Chairman of Russel Metals, Inc., Suite 600, One Lombard Place, Winnipeg, Manitoba, R3B OX3, Canada, since May 1995. Chairman of Russel Metals, Inc., from May 1992 to May 1995. Chairman and Chief Executive Officer of Russel Metals, Inc. from May 1991 to May 1992. President and Chief Executive Officer of Russel Metals, Inc., from May 1978 to May 1991.
Richard J. Harrington, 48..... Thomson Newspapers Corporation Metro Center One Station Place Stamford, Connecticut 06902	Director of TTC since September 1993. Executive Vice- President of TTC since September 1993. President and Chief Executive Officer, Thomson Newspapers Group, Metro Center, One Station Place, Stamford, Connecticut 06902, since July 1993. President and Chief Executive Officer, Thomson Professional Publishing, Metro Center, One Station Place, Stamford, Connecticut 06902, from June 1989 to July 1993.
Nigel R. Harrison, 46..... The Thomson Corporation Metro Center One Station Place Stamford, Connecticut 06902	Director of TTC since June 1989. Chief Financial Officer of TTC since July 1984. Executive Vice-President of TTC since June 1989. See Parent and Purchaser, below.

Name, Age and Current Business Address	Present Principal Occupation or Employment; Material Positions Held During the Past Five Years and Business Addresses Thereof
Mark D. Knight, 52..... The Thomson Corporation PLC First Floor The Quadrangle 180 Wardour Street London W1A 4YG England	Director of TTC since June 1989. Senior Vice-President of TTC since July 1984. Secretary of TTC since July 1978.
C. Edward Medland, 67..... Beauwood Investments, Inc. 121 King Street West Suite 2525 Toronto, Ontario M5H 3T9 Canada	Director of TTC since July 1978. Director of The Seagram Company, 1430 Peel Street, Montreal, Quebec, H3A 1S9, Canada, since May 1973. Director of Abitibi-Price, Inc., 207 Queens Quay West, Toronto, Ontario, M5J 2P5, Canada, since April 1978. Director of Canadian Tire Corporation, 2180 Young Street, Toronto, Ontario, M3S 2B9, Canada, since May 1988. Director of C.T. Financial Services, Inc., Canada Trust Tower, 161 Bay Street, Toronto, Ontario, M5J 2S1, Canada, since March 1989. Director of Teleglobe, Inc., 1000 De La Gauchetiere Street Ouest, Suite 1500, Montreal, Quebec, H3B 4X5, since May 1992. Director of Quorum Growth, Inc., Sun Life Tower, 150 King Street West, Toronto, Ontario, M5H 1J9, since October 1992. Director of Ontario Teacher's Pension Plan Board, 5650 Young Street, Toronto, Ontario M2M 4H5, Canada, since January 1990.
Andrew G. Mills, 43..... Thomson Financial & Professional Publishing Group 22 Pittsburgh Street Boston, Massachusetts 02210	Director and Executive Vice President of TTC since January 1995. President and Chief Executive Officer of Thomson Financial & Professional Publishing Group since May 1994. Chairman of Massachusetts Technology Development Corporation, 148 State Street, Boston, Massachusetts 02109, since 1990. See Purchaser, below.
J. Gordon Paul, 48..... Thomson Corporation Publishing International One Station Place Stamford, Connecticut 06902	Director and Executive Vice President of TTC since January 1995. President and Chief Executive Officer of Thomson Corporation Publishing International since May 1994. President since March 1990 and Chief Executive Officer since May 1994 of Thomson Regional Newspapers Ltd., 100 Avenue Road, Swiss Cottage, London NWS 3HF, England.
David C.H. Stanley, 68..... 453 Russell Hill Road Toronto, Ontario M5P 2S6 Canada	Director of TTC since June 1989. Director of Wajax Limited, 770 Sherbrook Street West, Suite 1750, Montreal, H5A 1G1, Canada, from May 1971 to March 1991. Director of Comshare, Incorporated, 3001 South State Street, Ann Arbor, Michigan 48108, from 1979 to 1992.
David K.R. Thomson, 38..... The Woodbridge Company Limited 65 Queen Street West Toronto, Ontario M5H 2M8 Canada	Director of TTC since April 1988. Deputy Chairman of the Woodbridge Company Limited, 65 Queen Street West, Toronto, Ontario, M5H 2M8, Canada, since June 1990.

Name, Age and Current Business Address	Present Principal Occupation or Employment; Material Positions Held During the Past Five Years and Business Addresses Thereof
Richard M. Thomson, 62..... Toronto-Dominion Bank 11th Floor Toronto-Dominion Bank Tower Toronto, Ontario M5K 1A2 Canada	Director of TTC since October 1984. Chairman and Chief Executive Officer of the Toronto Dominion Bank, 11th Floor, Toronto-Dominion Bank Tower, Toronto, Ontario M5K 1A2, Canada, since May 1978.
Peter J. Thomson, 30..... The Woodbridge Company Limited 65 Queen Street West Toronto M5H 2M8 Canada	Director of TTC since January 1995. Deputy Chairman of The Woodbridge Company Limited since November 1993.
David J. Hulland, 45..... The Thomson Corporation Metro Center One Station Place Stamford, Connecticut 06902	Vice-President of TTC since May 1993. Group Controller of TTC since December 1984.
Robert J. Jachino, 61..... Markborough Development Metro Center One Station Place Stamford, Connecticut 06902	Vice President of TTC since May 1992. President and Chief Executive Officer of Markborough Development, One Station Place, Stamford, Connecticut 06902 since September 1995. President and Chief Executive Officer, Thomson Information/Publishing Group, Metro Center, One Station Place, Stamford, Connecticut 06902, from May 1984 to January 1991. Director of Howe Sportsdata, Inc., 14 Fish Pier Road, Boston, Massachusetts 02210, since November 1992. Chairman of Perc, Inc., 107 Perkins Road, Greenwich, Connecticut 06830, since January 1992.
Martin B. Jones, 44..... The Thomson Corporation First Floor The Quadrangle 180 Wardour Street London W1A 4YG England	Vice President of TTC since May 1993. Group Treasurer of the TTC since December 1984.
Alan M. Lewis, 58..... The Thomson Corporation Suite 2706 Toronto Dominion Bank Tower P.O. Box 24 Toronto Dominion Center Toronto, Ontario M5K 1A2 Canada	Treasurer of TTC since May 1979.

2. Directors and Executive Officers of Parent. The following table sets forth the name, current business address, citizenship and present principal occupation or employment, and material occupations, positions, offices or employments and business addresses thereof for the past five years of each director and executive officer of Parent. Unless otherwise indicated, the current business address of each person is c/o The Thomson

Corporation. Except for W. Michael Brown, who is a citizen of both Great Britain and the United States, Paul Brett and Nigel R. Harrison who are citizens of Great Britain and Richard J. Harrington who is a citizen of the United States, each such person is a citizen of Canada. Unless otherwise indicated, each occupation set forth opposite an individual's name refers to employment with Parent.

W. Michael Brown..... The Thomson Corporation Metro Center One Station Place Stamford, Connecticut 06902	Director of Parent since July 1978. President of Parent since December 1984. See TTC, above and Purchaser, below.
Nigel R. Harrison..... The Thomson Corporation Metro Center One Station Place Stamford, Connecticut 06902	Director of Parent since June 1989. Chief Financial Officer of Parent since July 1984. Executive Vice-President of Parent since June 1989. See TTC, above and Purchaser, below.
David J. Hulland..... The Thomson Corporation Metro Center One Station Place Stamford, Connecticut 06902	Vice President of Parent since May 1993. Group Controller of Parent since December 1984. See TTC, above.
Kenneth R. Thomson..... The Woodbridge Company Limited 65 Queen Street West Toronto, Ontario M5H 2M8 Canada	Chairman of Parent since July 1978. Director of Parent since July 1976. See TTC, above.
John A. Tory..... The Woodbridge Company Limited 65 Queen Street West Toronto, Ontario M5H 2M8 Canada	Deputy Chairman of Parent since February 1978. February 1978. See TTC, above.

3. Directors and Executive Officers of Purchaser. The following table sets forth the name, age, current business address, citizenship and present principal occupation or employment, and material occupations, positions, offices or employments and business addresses thereof for the past five years of each director and executive officer of Purchaser. Unless otherwise indicated, the current business address of each person is SCS Subsidiary, Inc., Metro Center, One Station Place, Stamford, Connecticut 06902. Except for W. Michael Brown, who is a citizen of both Great Britain and the United States, each such person is a citizen of Great Britain. Each occupation set forth opposite an individual's name, refers to employment with Purchaser.

Name, Age and Current Business Address	Present Principal Occupation or Employment; Material Positions Held During the Past Five Years and Business Addresses Thereof
W. Michael Brown.....	President of Purchaser since December 1995. Director of Purchaser since December 1995. See TTC and Parent, above.
Nigel R. Harrison.....	Treasurer of Purchaser since December 1995. Director of Purchaser since December 1995. See TTC and Parent, above.
Andrew G. Mills.....	Vice President and Secretary of Purchaser since December 1995. Director of Purchaser since December 1995. See TTC, above.

Facsimiles of the Letter of Transmittal, properly completed and duly executed, will be accepted. The Letter of Transmittal, certificates evidencing Shares and any other required documents should be sent or delivered by each stockholder or his or her broker, dealer, commercial bank, trust company or other nominee to the Depositary at one of its addresses set forth below.

The Depositary for the Offer is:

By Mail:	By Hand:	By Overnight:
Chemical Mellon Shareholder Services, L.L.C. Reorganization Department PO Box 817 Midtown Station New York, New York 10018	Chemical Mellon Shareholder Services, L.L.C. Reorganization Department 120 Broadway 13th Floor New York, New York 10271	Chemical Mellon Shareholder Services, L.L.C. Reorganization Department 85 Challenger Road Ridgefield Park, New Jersey 07660

By Facsimile Transmission:
(201) 296-4293

Confirm by Telephone:
(212) 296-4209

Questions or requests for assistance may be directed to the Information Agent at its address and telephone number listed below. Additional copies of this Offer to Purchase, the Letter of Transmittal and the Notice of Guaranteed Delivery may be obtained from the Information Agent. A stockholder may also contact brokers, dealers, commercial banks or trust companies for assistance concerning the Offer.

The Information Agent for the Offer is:

[GEORGESON & COMPANY INC. LOGO]
Wall Street Plaza
New York, New York 10005
Banks and Brokers Call Collect (212) 440-9800

Call Toll Free: 1-800-223-2064

LETTER OF TRANSMITTAL

TO TENDER SHARES OF COMMON STOCK

OF

SCS/COMPUTE, INC.

PURSUANT TO THE OFFER TO PURCHASE
DATED DECEMBER 27, 1995

OF

SCS SUBSIDIARY, INC.,

A DIRECT WHOLLY OWNED SUBSIDIARY OF

THOMSON U.S. HOLDINGS INC.

AN INDIRECT WHOLLY OWNED SUBSIDIARY OF

THE THOMSON CORPORATION

THE OFFER AND WITHDRAWAL RIGHTS WILL EXPIRE AT 12:00 MIDNIGHT, NEW YORK CITY TIME, ON THURSDAY, JANUARY 25, 1996, UNLESS THE OFFER IS EXTENDED.

The Depositary for the Offer is:

CHEMICAL MELLON SHAREHOLDER SERVICES, L.L.C.

By Mail:
Chemical Mellon Shareholder Services, L.L.C.
Reorganization Department
PO Box 817
Midtown Station
New York, New York 10018

By Hand:
Chemical Mellon Shareholder Services, L.L.C.
Reorganization Department
120 Broadway
13th Floor
New York, New York 10271

By Overnight:
Chemical Mellon Shareholder Services, L.L.C.
Reorganization Department
85 Challenger Road
Ridgefield Park, New Jersey 07660

By Facsimile Transmission:
(201) 296-4293
Confirm by Telephone:
(212) 296-4209

DELIVERY OF THIS LETTER OF TRANSMITTAL TO AN ADDRESS OTHER THAN AS SET FORTH ABOVE OR TRANSMISSION OF INSTRUCTIONS VIA FACSIMILE TRANSMISSION OTHER THAN AS SET FORTH ABOVE WILL NOT CONSTITUTE A VALID DELIVERY.
THE INSTRUCTIONS ACCOMPANYING THIS LETTER OF TRANSMITTAL SHOULD BE READ CAREFULLY BEFORE THIS LETTER OF TRANSMITTAL IS COMPLETED.

This Letter of Transmittal is to be completed by stockholders either if certificates evidencing Shares (as defined below) are to be forwarded herewith or, unless an Agent's Message (as defined in the Offer to Purchase) is utilized, if delivery of Shares is to be made by book-entry transfer to the Depositary's account at The Depository Trust Company ("DTC"), the Midwest Securities Trust Company ("MSTC") or the Philadelphia Depository Trust Company ("PDTC") (each a "Book-Entry Transfer Facility" and collectively, the "Book-Entry Transfer Facilities") pursuant to the book-entry transfer procedure described in "THE TENDER OFFER -- Section 3. Procedures for Accepting the Offer and Tendering Shares" in the Offer to Purchase (as defined below). DELIVERY OF DOCUMENTS TO A BOOK-ENTRY TRANSFER FACILITY DOES NOT CONSTITUTE DELIVERY TO THE DEPOSITARY.

Stockholders whose certificates evidencing Shares ("Share Certificates") are not immediately available or who cannot deliver their Share Certificates and all other documents required hereby to the Depositary prior to the Expiration Date (as defined in "THE TENDER OFFER -- Section 1. Terms of the Offer; Expiration date" in the Offer to Purchase) or who cannot complete the procedure for delivery by book-entry transfer on a timely basis and who wish to tender their Shares must do so pursuant to the guaranteed delivery procedure described in "THE TENDER OFFER -- Section 3. Procedures for Accepting the Offer and Tendering Shares" in the Offer to Purchase. See Instruction 2.

/ / CHECK HERE IF SHARES ARE BEING DELIVERED BY BOOK-ENTRY TRANSFER TO THE DEPOSITARY'S ACCOUNT AT ONE OF THE BOOK-ENTRY TRANSFER FACILITIES AND COMPLETE THE FOLLOWING:

Name of Tendering Institution
- ---

Check box of Applicable Book-Entry Transfer Facility:

/ / The Depository Trust Company / / Midwest Securities Trust Company

/ / Philadelphia Depository Trust Company

Account Number_____

Transaction Code Number_____

/ / CHECK HERE IF SHARES ARE BEING TENDERED PURSUANT TO A NOTICE OF GUARANTEED DELIVERY PREVIOUSLY SENT TO THE DEPOSITARY AND COMPLETE THE FOLLOWING:

Name(s) of Registered Holder(s)_____

Window Ticket No. (if any)_____

Date of Execution of Notice of Guaranteed Delivery_____

Name of Institution which Guaranteed Delivery_____

- ---

DESCRIPTION OF SHARES TENDERED

NAME(S) AND ADDRESS(ES) OF REGISTERED HOLDER(S) (PLEASE FILL IN, IF BLANK, EXACTLY AS NAME(S) APPEAR(S) ON SHARE CERTIFICATE(S))	SHARES CERTIFICATE(S) AND SHARE(S) TENDERED (ATTACH ADDITIONAL LIST, IF NECESSARY)		
	SHARE CERTIFICATE NUMBER(S)*	TOTAL NUMBER OF SHARES EVIDENCED BY SHARE CERTIFICATE(S)*	NUMBER OF SHARES TENDERED**
	Total Shares		

* Need not be completed by stockholders delivering Shares by book-entry transfer.

** Unless otherwise indicated, it will be assumed that all Shares evidenced by each Share Certificate delivered to the Depositary are being tendered hereby. See Instruction 4.

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NOTE: SIGNATURES MUST BE PROVIDED BELOW

PLEASE READ THE ACCOMPANYING INSTRUCTIONS
IN THIS LETTER OF TRANSMITTAL CAREFULLY.

LADIES AND GENTLEMEN:

The undersigned hereby tenders to SCS Subsidiary, Inc., a Delaware corporation ("Purchaser") and a direct wholly owned subsidiary of Thomson U.S. Holdings Inc., a Delaware corporation and an indirect wholly owned subsidiary of The Thomson Corporation, a corporation organized under the laws of Ontario, Canada, the above-described shares of Common Stock, par value $.10 per share, of SCS/Compute, Inc., a Delaware corporation (the "Company") (all shares of such Common Stock from time to time outstanding being, collectively, the "Shares") pursuant to Purchaser's offer to purchase all Shares, at $6.75 per Share, net to the seller in cash, upon the terms and subject to the conditions set forth in the Offer to Purchase, dated December 27, 1995 (the "Offer to Purchase"), receipt of which is hereby acknowledged, and in this Letter of Transmittal (which, together with the Offer to Purchase, constitute the "Offer"). The undersigned understands that Purchaser reserves the right to transfer or assign, in whole or from time to time in part, to one or more of its affiliates, the right to purchase all or any portion of the Shares tendered pursuant to the Offer.

Subject to, and effective upon, acceptance for payment of the Shares tendered herewith, in accordance with the terms of the Offer (including, if the Offer is extended or amended, the terms and conditions of such extension or amendment), the undersigned hereby sells, assigns and transfers to, or upon the order of, Purchaser all right, title and interest in and to all the Shares that are being tendered hereby and all dividends, distributions (including, without limitation, distributions of additional Shares) and rights declared, paid or distributed in respect of such Shares on or after December 19, 1995 (collectively, "Distributions") and irrevocably appoints the Depositary the true and lawful agent and attorney-in-fact of the undersigned with respect to such Shares and all Distributions, with full power of substitution (such power of attorney being deemed to be an irrevocable power coupled with an interest), to (i) deliver Share Certificates evidencing such Shares and all Distributions, or transfer ownership of such Shares and all Distributions on the account books maintained by a Book-Entry Transfer Facility, together, in either case, with all accompanying evidences of transfer and authenticity, to or upon the order of Purchaser, (ii) present such Shares and all Distributions for transfer on the books of the Company and (iii) receive all benefits and otherwise exercise all rights of beneficial ownership of such Shares and all Distributions, all in accordance with the terms of the Offer.

The undersigned hereby irrevocably appoints W. Michael Brown, Nigel R. Harrison and Andrew G. Mills and each of them, as the attorneys and proxies of the undersigned, each with full power of substitution, to vote in such manner as each such attorney and proxy or his substitute shall, in his sole discretion, deem proper and otherwise act (by written consent or otherwise) with respect to all the Shares tendered hereby which have been accepted for payment by Purchaser prior to the time of such vote or other action and all Shares and other securities issued in Distributions in respect of such Shares, which the undersigned is entitled to vote at any meeting of stockholders of the Company (whether annual or special and whether or not an adjourned or postponed meeting) or consent in lieu of any such meeting or otherwise. This proxy and power of attorney is coupled with an interest in the Shares tendered hereby, is irrevocable and is granted in consideration of, and is effective upon, the acceptance for payment of such Shares by Purchaser in accordance with the terms of the Offer. Such acceptance for payment shall revoke all other proxies and powers of attorney granted by the undersigned at any time with respect to such Shares (and all Shares and other securities issued in Distributions in respect of such Shares), and no subsequent proxy or power of attorney shall be given or written consent executed (and if given or executed, shall not be effective) by the undersigned with respect thereto. The undersigned understands that, in order for Shares to be deemed validly tendered, immediately upon Purchaser's acceptance of such Shares for payment, Purchaser must be able to exercise full voting and other rights with respect to such Shares, including, without limitation, voting at any meeting of the Company's stockholders then scheduled.

The undersigned hereby represents and warrants that the undersigned has full power and authority to tender, sell, assign and transfer the Shares tendered hereby and all Distributions, that when such Shares are accepted for payment by Purchaser, Purchaser will acquire good, marketable and unencumbered title thereto

and to all Distributions, free and clear of all liens, restrictions, charges and encumbrances, and that none of such Shares and Distributions will be subject to any adverse claim. The undersigned, upon request, shall execute and deliver all additional documents deemed by the Depositary or Purchaser to be necessary or desirable to complete the sale, assignment and transfer of the Shares tendered hereby and all Distributions. In addition, the undersigned shall remit and transfer promptly to the Depositary for the account of Purchaser all Distributions in respect of the Shares tendered hereby, accompanied by appropriate documentation of transfer, and pending such remittance and transfer or appropriate assurance thereof, Purchaser shall be entitled to all rights and privileges as owner of each such Distribution and may withhold the entire purchase price of the Shares tendered hereby, or deduct from such purchase price, the amount or value of such Distribution as determined by Purchaser in its sole discretion.

No authority herein conferred or agreed to be conferred shall be affected by, and all such authority shall survive, the death or incapacity of the undersigned. All obligations of the undersigned hereunder shall be binding upon the heirs, personal representatives, successors and assigns of the undersigned. Except as stated in the Offer to Purchase, this tender is irrevocable.

The undersigned understands that tenders of Shares pursuant to any one of the procedures described in "THE TENDER OFFER -- Section 3. Procedures for Accepting the Offer and Tendering Shares" in the Offer to Purchase and in the instructions hereto will constitute the undersigned's acceptance of the terms and conditions of the Offer. Purchaser's acceptance of such Shares for payment will constitute a binding agreement between the undersigned and Purchaser upon the terms and subject to the conditions of the Offer.

Unless otherwise indicated herein in the box entitled "Special Payment Instructions," please issue the check for the purchase price of all Shares purchased, and return all Share Certificates evidencing Shares not purchased or not tendered in the name(s) of the registered holder(s) appearing above under "Description of Shares Tendered." Similarly, unless otherwise indicated in the box entitled "Special Delivery Instructions," please mail the check for the purchase price of all Shares purchased and all Share Certificates evidencing Shares not tendered or not purchased (and accompanying documents, as appropriate) to the address(es) of the registered holder(s) appearing above under "Description of Shares Tendered." In the event that the boxes entitled "Special Payment Instructions" and "Special Delivery Instructions" are both completed, please issue the check for the purchase price of all Shares purchased and return all Share Certificates evidencing Shares not purchased or not tendered in the name(s) of, and mail such check and Share Certificates to, the person(s) so indicated. Unless otherwise indicated herein in the box entitled "Special Payment Instructions," please credit any Shares tendered hereby and delivered by book-entry transfer, but which are not purchased by crediting the account at the Book-Entry Transfer Facility designated above. The undersigned recognizes that Purchaser has no obligation, pursuant to the Special Payment Instructions, to transfer any Shares from the name of the registered holder(s) thereof if Purchaser does not purchase any of the Shares tendered hereby.

SPECIAL PAYMENT INSTRUCTIONS
(SEE INSTRUCTIONS 1, 5, 6 AND 7)

To be completed ONLY if the check for the purchase price of Shares purchased or Share Certificates evidencing Shares not tendered or not purchased are to be issued in the name of someone other than the undersigned, or if Shares tendered hereby and delivered by book-entry transfer which are not purchased are to be returned by credit to an account at one of the Book-Entry Transfer Facilities other than that designated above.

Issue / / check / / Share Certificate(s) to:

Name

PLEASE PRINT

Address

(ZIP CODE)

TAXPAYER IDENTIFICATION OR SOCIAL SECURITY NUMBER
(SEE SUBSTITUTE FORM W-9 ON REVERSE SIDE)

/ / Credit Shares delivered by book-entry transfer and not purchased to the account set forth below:

Check appropriate box:
/ / The Depository Trust Company
/ / Midwest Securities Trust Company
/ / Philadelphia Depository Trust Company

Account Number:

SPECIAL DELIVERY INSTRUCTIONS
(SEE INSTRUCTIONS 1, 5, 6 AND 7)

To be completed ONLY if the check for the purchase price of Shares purchased or Share Certificates evidencing Shares not tendered or not purchased are to be mailed to someone other than the undersigned, or the undersigned at an address other than that shown under "Description of Shares Tendered."

Mail / / check / / Share Certificate(s) to:

Name

Address

(ZIP CODE)

(TAXPAYER IDENTIFICATION OR SOCIAL SECURITY NUMBER)
(SEE SUBSTITUTE FORM W-9 ON REVERSE SIDE)

IMPORTANT
STOCKHOLDERS: SIGN HERE
(PLEASE COMPLETE SUBSTITUTE FORM W-9 ON REVERSE)

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- ---

(SIGNATURE(S) OF STOCKHOLDER(S))
Dated: , 199

(Must be signed by registered holder(s) exactly as name(s) appear(s) on Share Certificates or on a security position listing by a person(s) authorized to become registered holder(s) by certificates and documents transmitted herewith. If signature is by a trustee, executor, administrator, guardian, attorney-in-fact, officer of a corporation or other person acting in a fiduciary or representative capacity, please provide the following information and see Instruction 5).

NAME(S): _____

PLEASE PRINT

CAPACITY (FULL TITLE) _____

ADDRESS: _____

_____

INCLUDE ZIP CODE

AREA CODE AND TELEPHONE NO: _____

Taxpayer Identification or Social Security No.: _____

(SEE SUBSTITUTE FORM W-9 ON REVERSE SIDE)

GUARANTEE OF SIGNATURE(S)
(SEE INSTRUCTIONS 1 AND 5)

FOR USE BY FINANCIAL INSTITUTIONS ONLY.
FINANCIAL INSTITUTIONS: PLACE MEDALLION GUARANTEE IN SPACE BELOW.

INSTRUCTIONS
FORMING PART OF THE TERMS AND CONDITIONS OF THE OFFER

1. GUARANTEE OF SIGNATURES. All signatures on this Letter of Transmittal must be guaranteed by a member of the Medallion Signature Guarantee Program, or by any other "eligible institution," as such term is defined in Rule 17Ad-15 under the Securities Exchange Act of 1934, as amended (each of the foregoing being referred to as an "Eligible Institution") unless (i) this Letter of Transmittal is signed by the registered holder(s) of the Shares (which term, for purposes of this document, shall include any participant in a Book-Entry Transfer Facility whose name appears on a security position listing as the owner of Shares) tendered hereby and such holder(s) has (have) completed neither the box entitled "Special Payment Instructions" nor the box entitled "Special Delivery Instructions" on the reverse hereof or (ii) such Shares are tendered for the account of an Eligible Institution. See Instruction 5.

2. DELIVERY OF LETTER OF TRANSMITTAL AND SHARE CERTIFICATES. This Letter of Transmittal is to be used either if Share Certificates are to be forwarded herewith or, unless an Agent's Message is utilized, if Shares are to be delivered by book-entry transfer pursuant to the procedure set forth in "THE TENDER OFFER -- Section 3. Procedures for Accepting the Offer and Tendering Shares" in the Offer to Purchase. Share Certificates evidencing all physically tendered Shares, or a confirmation of a book-entry transfer into the Depositary's account at a Book-Entry Transfer Facility of all Shares delivered by book-entry transfer as well as a properly completed and duly executed Letter of Transmittal (or facsimile thereof), with any required signature guarantees, or an Agent's Message in the case of a book-entry delivery, and any other documents required by this Letter of Transmittal, must be received by the Depositary at one of its addresses set forth on the reverse hereof prior to the Expiration Date (as defined in "THE TENDER OFFER" -- Section 1. Terms of the Offer; Expiration Date" in the Offer to Purchase). If Share Certificates are forwarded to the Depositary in multiple deliveries, a properly completed and duly executed Letter of Transmittal must accompany each such delivery. Stockholders whose Share Certificates are not immediately available, who cannot deliver their Share Certificates and all other required documents to the Depositary prior to the Expiration Date or who cannot complete the procedure for delivery by book-entry transfer on a timely basis may tender their Shares pursuant to the guaranteed delivery procedure described in "THE TENDER OFFER -- Section 3. Procedures for Accepting the Offer and Tendering Shares" in the Offer to Purchase. Pursuant to such procedure: (i) such tender must be made by or through an Eligible Institution; (ii) a properly completed and duly executed Notice of Guaranteed Delivery, substantially in the form made available by Purchaser, must be received by the Depositary prior to the Expiration Date; and (iii) the Share Certificates evidencing all physically delivered Shares in proper form for transfer by delivery, or a confirmation of a book-entry transfer into the Depositary's account at a Book-Entry Transfer Facility of all Shares delivered by book-entry transfer, in each case together with a Letter of Transmittal (or a facsimile thereof), properly completed and duly executed, with any required signature guarantees (or, in the case of a book-entry delivery, an Agent's Message), and any other documents required by this Letter of Transmittal, must be received by the Depositary within five National Association of Securities Dealers Automated Quotation -- Small Cap Market trading days after the date of execution of such Notice of Guaranteed Delivery, all as described in "THE TENDER OFFER -- Section 3. Procedures for Accepting the Offer and Tendering Shares" in the Offer to Purchase.

The method of delivery of this Letter of Transmittal, Share Certificates and all other required documents, including delivery through any Book-Entry Transfer Facility, is at the option and risk of the tendering stockholder, and the delivery will be deemed made only when actually received by the Depositary. If delivery is by mail, registered mail with return receipt requested, properly insured, is recommended. In all cases, sufficient time should be allowed to ensure timely delivery.

No alternative, conditional or contingent tenders will be accepted and no fractional Shares will be purchased. By execution of this Letter of Transmittal (or a facsimile hereof), all tendering stockholders waive any right to receive any notice of the acceptance of their Shares for payment.

3. INADEQUATE SPACE. If the space provided herein under "Description of Shares Tendered" is inadequate, the Share Certificate numbers, the number of Shares evidenced by such Share Certificates and the number of Shares tendered should be listed on a separate schedule and attached hereto.

4. PARTIAL TENDERS (NOT APPLICABLE TO STOCKHOLDERS WHO TENDER BY BOOK-ENTRY TRANSFER). If fewer than all the Shares evidenced by any Share Certificate delivered to the Depositary herewith are to be tendered hereby, fill in the number of Shares which are to be tendered in the box entitled "Number of Shares Tendered." In such cases, new Share Certificate(s) evidencing the remainder of the Shares that were evidenced by the Share Certificates delivered to the Depositary herewith will be sent to the person(s) signing this Letter of Transmittal, unless otherwise provided in the box entitled "Special Delivery Instructions" on the reverse hereof, as soon as practicable after the expiration or termination of the Offer. All Shares evidenced by Share Certificates delivered to the Depositary will be deemed to have been tendered unless otherwise indicated.

5. SIGNATURES ON LETTER OF TRANSMITTAL; STOCK POWERS AND ENDORSEMENTS. If this Letter of Transmittal is signed by the registered holder(s) of the Shares tendered hereby, the signature(s) must correspond with the name(s) as written on the face of the Share Certificates evidencing such Shares without alteration, enlargement or any other change whatsoever.

If any Share tendered hereby is owned of record by two or more persons, all such persons must sign this Letter of Transmittal.

If any of the Shares tendered hereby are registered in the names of different holders, it will be necessary to complete, sign and submit as many separate Letters of Transmittal as there are different registrations of such Shares.

If this Letter of Transmittal is signed by the registered holder(s) of the Shares tendered hereby, no endorsements of Share Certificates or separate stock powers are required, unless payment is to be made to, or Share Certificates evidencing Shares not tendered or not purchased are to be issued in the name of, a person other than the registered holder(s), in which case, the Share Certificate(s) evidencing the Shares tendered hereby must be endorsed or accompanied by appropriate stock powers, in either case signed exactly as the name(s) of the registered holder(s) appear(s) on such Share Certificate(s). Signatures on such Share Certificate(s) and stock powers must be guaranteed by an Eligible Institution.

If this Letter of Transmittal is signed by a person other than the registered holder(s) of the Shares tendered hereby, the Share Certificate(s) evidencing the Shares tendered hereby must be endorsed or accompanied by appropriate stock powers, in either case signed exactly as the name(s) of the registered holder(s) appear(s) on such Share Certificate(s). Signatures on such Share Certificate(s) and stock powers must be guaranteed by an Eligible Institution.

If this Letter of Transmittal or any Share Certificate or stock power is signed by a trustee, executor, administrator, guardian, attorney-in-fact, officer of a corporation or other person acting in a fiduciary or representative capacity, such person should so indicate when signing, and proper evidence satisfactory to Purchaser of such person's authority so to act must be submitted.

6. STOCK TRANSFER TAXES. Except as otherwise provided in this Instruction 6, Purchaser will pay all stock transfer taxes with respect to the sale and transfer of any Shares to it or its order pursuant to the Offer. If, however, payment of the purchase price of any Shares purchased is to be made to, or Share Certificate(s) evidencing Shares not tendered or not purchased are to be issued in the name of, a person other than the registered holder(s), the amount of any stock transfer taxes (whether imposed on the registered holder(s), such other person or otherwise) payable on account of the transfer to such other person will be deducted from the purchase price of such Shares purchased, unless evidence satisfactory to Purchaser of the payment of such taxes, or exemption therefrom, is submitted. Except as provided in this Instruction 6, it will not be necessary for transfer tax stamps to be affixed to the Share Certificates evidencing the Shares tendered hereby.

7. SPECIAL PAYMENT AND DELIVERY INSTRUCTIONS. If a check for the purchase price of any Shares tendered hereby is to be issued, or Share Certificate(s) evidencing Shares not tendered or not purchased are to be issued, in the name of a person other than the person(s) signing this Letter of Transmittal or if such check or any such Share Certificate is to be sent to someone other than the person(s) signing this Letter of Transmittal or to the person(s) signing this Letter of Transmittal but at an address other than that

shown in the box entitled "Description of Shares Tendered" on the reverse hereof, the appropriate boxes on the reverse of this Letter of Transmittal must be completed. Stockholders delivering Shares tendered hereby by book-entry transfer may request that Shares not purchased be credited to such account maintained at a Book-Entry Transfer Facility as such stockholder may designate in the box entitled "Special Payment Instructions" on the reverse hereof. If no such instructions are given, all such Shares not purchased will be returned by crediting the account at the Book-Entry Transfer Facility designated on the reverse hereof as the account from which such Shares were delivered.

8. QUESTIONS AND REQUESTS FOR ASSISTANCE OR ADDITIONAL COPIES. Questions and requests for assistance may be directed to the Information Agent at its address or telephone number set forth below. Additional copies of the Offer to Purchase, this Letter of Transmittal and the Notice of Guaranteed Delivery may be obtained from the Information Agent or from brokers, dealers, commercial banks or trust companies.

9. SUBSTITUTE FORM W-9. Each tendering stockholder is required to provide the Depositary with a correct Taxpayer Identification Number ("TIN") on the Substitute Form W-9 which is provided under "Important Tax Information" below, and to certify, under penalties of perjury, that such number is correct and that such stockholder is not subject to backup withholding of federal income tax. If a tendering stockholder has been notified by the Internal Revenue Service that such stockholder is subject to backup withholding, such stockholder must cross out item (2) of the Certification box of the Substitute Form W-9, unless such stockholder has since been notified by the Internal Revenue Service that such stockholder is no longer subject to backup withholding. Failure to provide the information on the Substitute Form W-9 may subject the tendering stockholder to 31% federal income tax withholding on the payment of the purchase price of all Shares purchased from such stockholder. If the tendering stockholder has not been issued a TIN and has applied for one or intends to apply for one in the near future, such stockholder should write "Applied For" in the space provided for the TIN in Part I of the Substitute Form W-9, and sign and date the Substitute Form W-9. If "Applied For" is written in Part I and the Depositary is not provided with a TIN within 60 days, the Depositary will withhold 31% on all payments of the purchase price to such stockholder until a TIN is provided to the Depositary.

IMPORTANT: THIS LETTER OF TRANSMITTAL (OR FACSIMILE HEREOF), PROPERLY COMPLETED AND DULY EXECUTED, OR AN AGENT'S MESSAGE IN THE CASE OF A BOOK-ENTRY DELIVERY (TOGETHER WITH ANY REQUIRED SIGNATURE GUARANTEES AND SHARE CERTIFICATES OR CONFIRMATION OF BOOK-ENTRY TRANSFER AND ALL OTHER REQUIRED DOCUMENTS) OR A PROPERLY COMPLETED AND DULY EXECUTED NOTICE OF GUARANTEED DELIVERY MUST BE RECEIVED BY THE DEPOSITARY PRIOR TO THE EXPIRATION DATE (AS DEFINED UNDER "THE TENDER OFFER -- SECTION 1. TERMS OF THE OFFER; EXPIRATION DATE" IN OFFER TO PURCHASE).

IMPORTANT TAX INFORMATION

Under the federal income tax law, a stockholder whose tendered Shares are accepted for payment is required by law to provide the Depositary (as payer) with such stockholder's correct TIN on Substitute Form W-9 below. If such stockholder is an individual, the TIN is such stockholder's social security number. If the Depositary is not provided with the correct TIN, the stockholder may be subject to a $500 penalty imposed by the Internal Revenue Service. In addition, payments that are made to such stockholder with respect to Shares purchased pursuant to the Offer may be subject to backup withholding of 31% (as described below).

Certain stockholders (including, among others, all corporations and certain foreign individuals) are not subject to these backup withholding and reporting requirements. In order for a foreign individual to qualify as an exempt recipient, such individual must submit a statement, signed under penalties of perjury, attesting to such individual's exempt status. Forms of such statements can be obtained from the Depositary. See the enclosed Guidelines for Certification of Taxpayer Identification Number on Substitute Form W-9 for additional instructions.

If backup withholding applies, the Depositary is required to withhold 31% of any payments made to the stockholder. Backup withholding is not an additional tax. Rather, the tax liability of persons subject to backup withholding will be reduced by the amount of tax withheld. If withholding results in an overpayment of taxes, a refund may be obtained from the Internal Revenue Service.

PURPOSE OF SUBSTITUTE FORM W-9

To prevent backup withholding on payments that are made to a stockholder with respect to Shares purchased pursuant to the Offer, the stockholder is required to notify the Depositary of such stockholder's correct TIN by completing the form below certifying that the TIN provided on Substitute Form W-9 is correct (or that such stockholder is awaiting a TIN), and that (i) such stockholder has not been notified by the Internal Revenue Service that he is subject to backup withholding as a result of a failure to report all interest or dividends or (ii) the Internal Revenue Service has notified such stockholder that such stockholder is no longer subject to backup withholding.

WHAT NUMBER TO GIVE THE DEPOSITARY

The stockholder is required to give the Depositary the social security number or employer identification number of the record holder of the Shares tendered hereby. If the Shares are in more than one name or are not in the name of the actual owner, consult the enclosed Guidelines for Certification of Taxpayer Identification Number on Substitute Form W-9 for additional guidance on which number to report. If the tendering stockholder has not been issued a TIN and has applied for a number or intends to apply for a number in the near future, the stockholder should write "Applied For" in the space provided for the TIN in Part I, and sign and dated the Substitute Form W-9. If "Applied For" is written in Part I and the Depositary is not provided with a TIN within 60 days, the Depositary will withhold 31% of all payments of the purchase price to such stockholder until a TIN is provided to the Depositary.

PAYER'S NAME: CHEMICAL MELLON SHAREHOLDER SERVICES, L.L.C.

SUBSTITUTE FORM W-9	PART I -- For all accounts, enter your TIN in the box at right. (For most individuals, this is your social security number. If you do not have a TIN, see How to Obtain a TIN in the enclosed Guidelines.) Certify by signing and dating below. Note: If the account is in more than one name, see the chart in the enclosed Guidelines to determine which number to give the payer.	Social Security Number OR Employer Identification Number (If awaiting TIN write "Applied For")
PAYER'S REQUEST FOR TAXPAYER IDENTIFICATION NUMBER (TIN)	PART II -- For Payees Exempt From Backup Withholding, see the enclosed Guidelines and complete as instructed therein.	

CERTIFICATION -- Under penalties of perjury, I certify that:

(1) the number shown on this form is my correct Taxpayer Identification Number (or I am waiting for a number to be issued to me), and

(2) I am not subject to backup withholding either because (a) I am exempt from backup withholding or, (b) I have not been notified by the Internal Revenue Service (the "IRS") that I am subject to backup withholding as a result of failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding.

CERTIFICATION INSTRUCTIONS -- You must cross out item (2) above if you have been notified by the IRS that you are subject to backup withholding because of underreporting interest or dividends on your tax return. However, if after being notified by the IRS that you were subject to backup withholding you received another notification from the IRS that you are no longer subject to backup withholding, do not cross out item (2). (Also see instructions in the enclosed Guidelines.)

SIGNATURE DATE , 199

NOTE: FAILURE TO COMPLETE AND RETURN THIS FORM MAY RESULT IN BACKUP WITHHOLDING OF 31% OF ANY PAYMENTS MADE TO YOU PURSUANT TO THE OFFER. PLEASE REVIEW THE ENCLOSED GUIDELINES FOR CERTIFICATION OF TAXPAYER IDENTIFICATION NUMBER ON SUBSTITUTE FORM W-9 FOR ADDITIONAL DETAILS.

The Information Agent for the Offer is:

(Georgeson & Company Inc. Logo)
Wall Street Plaza
New York, New York 10005
Banks and Brokers Call Collect (212) 440-9800

Call Toll Free: 1-800-223-2064

NOTICE OF GUARANTEED DELIVERY
FOR
TENDER OF SHARES OF COMMON STOCK
OF

SCS/COMPUTE, INC.

This Notice of Guaranteed Delivery, or one substantially in the form hereof, must be used to accept the Offer (as defined below) (i) if certificates ("Share Certificates") evidencing shares of Common Stock, par value $.10 per share (the "Shares"), of SCS/Compute, Inc., a Delaware corporation (the "Company"), are not immediately available, (ii) if Share Certificates and all other required documents cannot be delivered to Chemical Mellon Shareholder Services, L.L.C., as Depositary (the "Depositary"), prior to the Expiration Date (as defined in "THE TENDER OFFER -- Section 1. Terms of the Offer; Expiration date" in the Offer to Purchase (as defined below)) or (iii) if the procedure for delivery by book-entry transfer cannot be completed on a timely basis. This Notice of Guaranteed Delivery may be delivered by hand or mail or transmitted by telegram or facsimile transmission to the Depositary. See "THE TENDER OFFER -- Section 3. Procedures for Accepting the Offer and Tendering Shares" in the Offer to Purchase.

The Depositary for the Offer is:
CHEMICAL MELLON SHAREHOLDER SERVICES, L.L.C.

By Mail:
Chemical Mellon Shareholder Services, L.L.C.
Reorganization Department
PO Box 817
Midtown Station
New York, New York 10018

By Hand:
Chemical Mellon Shareholder Services, L.L.C.
Reorganization Department
120 Broadway
13th Floor
New York, New York 10271

By Overnight:
Chemical Mellon Shareholder Services, L.L.C.
Reorganization Department
85 Challenger Road
Ridgefield Park, New Jersey 07660

By Facsimile Transmission:
(201) 296-4293

Confirm by Telephone:
(212) 296-4209

DELIVERY OF THIS NOTICE OF GUARANTEED DELIVERY TO AN ADDRESS OTHER THAN AS SET FORTH ABOVE, OR TRANSMISSION OF INSTRUCTIONS VIA FACSIMILE TRANSMISSION OTHER THAN AS SET FORTH ABOVE, WILL NOT CONSTITUTE A VALID DELIVERY.

This form is not to be used to guarantee signatures. If a letter of Transmittal is required to be guaranteed by an "Eligible Institution" under the instructions thereto, such signature guarantee must appear in the applicable space provided in the signature box on the Letter of Transmittal.

Ladies and Gentlemen:

The undersigned hereby tender(s) to SCS Subsidiary, Inc., a Delaware corporation and a direct wholly owned subsidiary of Thomson U.S. Holdings Inc., a Delaware corporation and an indirect wholly owned subsidiary of The Thomson Corporation, a corporation organized under the laws of Ontario, Canada, upon the terms and subject to the conditions set forth in the Offer to Purchase, dated December 27, 1995 (the "Offer to Purchase"), and the related Letter of Transmittal (which, together with the Offer to Purchase, constitute the "Offer"), receipt of each of which is hereby acknowledged, the number of Shares specified below pursuant to the guaranteed delivery procedure described in "THE TENDER OFFER -- Section 3. Procedures for Accepting the Offer and Tendering Shares" in the Offer to Purchase.

- ----------

Number of Shares: _____

Certificate Nos. (If Available):

- ----------

- ----------

Check one box if Shares will be
delivered by book-entry transfer:

/ / The Depository Trust Company
/ / Midwest Securities Trust Company
/ / Philadelphia Depository Trust Company

Account No. _____

- ----------

- ----------

- ----------

- ----------

SIGNATURE(S) OF HOLDER(S)

Dated: _____ __, 199_

Name(s) of Holders:

- ----------

- ----------
PLEASE TYPE OR PRINT

- ----------
ADDRESS

- ----------
ZIP CODE

- ----------
AREA CODE AND TELEPHONE NO.

- ----------

GUARANTEE

(NOT TO BE USED FOR SIGNATURE GUARANTEE)

The undersigned, a firm which is a member of a registered national securities exchange or of the National Association of Securities Dealers, Inc. or which is a commercial bank or trust company having an office or correspondent in the United States, guarantees to deliver to the Depositary, at one of its addresses set forth above, Share Certificates evidencing the Shares tendered hereby, in proper form for transfer, or confirmation of book-entry transfer of such Shares into the Depositary's account at the Depository Trust Company, the Midwest Securities Trust Company or the Philadelphia Depository Trust Company, in each case with delivery of a Letter of Transmittal (or facsimile thereof) properly completed and duly executed, and any other required documents, all within three National Association of Securities Dealers Automated Quotation -- Small Cap Market trading days of the date hereof.

Name of Firm
- ----------------------------------
Authorized Signature
- --
Name
- --
Please Type or Print

Title

Address

Zip Code

Area Code and Telephone No.

Dated: ---------- , 199

DO NOT SEND SHARE CERTIFICATES WITH THIS NOTICE.
SHARE CERTIFICATES SHOULD BE SENT WITH YOUR LETTER OF TRANSMITTAL.

SCS SUBSIDIARY, INC.

OFFER TO PURCHASE FOR CASH
ALL OUTSTANDING SHARES OF COMMON STOCK
OF

SCS/COMPUTE, INC.
AT

$6.75 NET PER SHARE
BY

SCS SUBSIDIARY, INC.,

A DIRECT WHOLLY OWNED SUBSIDIARY OF

THOMSON U.S. HOLDINGS INC.,

AN INDIRECT WHOLLY OWNED SUBSIDIARY OF

THE THOMSON CORPORATION

THE OFFER AND WITHDRAWAL RIGHTS WILL EXPIRE AT 12:00 MIDNIGHT,
NEW YORK CITY TIME, ON THURSDAY, JANUARY 25, 1996
UNLESS THE OFFER IS EXTENDED.

December 27, 1995

To Brokers, Dealers, Commercial Banks,
Trust Companies and Other Nominees:

SCS Subsidiary, Inc., a Delaware corporation ("Purchaser") and a direct wholly owned subsidiary of Thomson U.S. Holdings Inc., a Delaware corporation ("Parent"), and an indirect wholly owned subsidiary of The Thomson Corporation, a corporation organized under the laws of Ontario, Canada, has offered to purchase all outstanding shares of common stock, par value $.10 per share (the "Shares"), of SCS/Compute, Inc., a Delaware corporation (the "Company"), at a price of $6.75 per Share, net to the seller in cash, upon the terms and subject to the conditions set forth in Purchaser's Offer to Purchase, dated December 27, 1995 (the "Offer to Purchase"), and the related Letter of Transmittal (which together constitute the "Offer") enclosed herewith. Please furnish copies of the enclosed materials to those of your clients for whose accounts you hold Shares registered in your name or in the name of your nominee.

THE OFFER IS CONDITIONED UPON, AMONG OTHER THINGS, THERE BEING VALIDLY TENDERED AND NOT WITHDRAWN PRIOR TO THE EXPIRATION OF THE OFFER AT LEAST THE NUMBER OF SHARES THAT WHEN ADDED TO THE NUMBER OF SHARES TO BE PURCHASED BY PURCHASER PURSUANT TO THE STOCK PURCHASE AGREEMENT SHALL CONSTITUTE A MAJORITY OF THE SHARES OUTSTANDING ON A FULLY DILUTED BASIS. THE OFFER IS ALSO CONDITIONED UPON, AMONG OTHER THINGS, THE EXPIRATION OR TERMINATION OF THE APPLICABLE ANTITRUST WAITING PERIOD.

Enclosed for your information and use are copies of the following documents:

1. Offer to Purchase, dated December 27, 1995;

2. Letter of Transmittal to be used by holders of Shares in accepting the Offer and tendering Shares;

3. Notice of Guaranteed Delivery to be used to accept the Offer if the Shares and all other required documents are not immediately available or cannot be delivered to Chemical Mellon Shareholder

Services, L.L.C. (the "Depositary") by the Expiration Date (as defined in the Offer to Purchase) or if the procedure for book-entry transfer cannot be completed by the Expiration Date;

4. A letter to stockholders of the Company from Robert W. Nolan, Sr., President and Chief Executive Officer of the Company, together with a Solicitation/Recommendation Statement on Schedule 14D-9 filed with the Securities and Exchange Commission by the Company;

5. A letter which may be sent to your clients for whose accounts you hold Shares registered in your name or in the name of your nominee, with space provided for obtaining such clients' instructions with regard to the Offer;

6. Guidelines for Certification of Taxpayer Identification Number on Substitute Form W-9; and

7. Return envelope addressed to the Depositary.

WE URGE YOU TO CONTACT YOUR CLIENTS AS PROMPTLY AS POSSIBLE. PLEASE NOTE THAT THE OFFER AND WITHDRAWAL RIGHTS EXPIRE AT 12:00 MIDNIGHT, NEW YORK CITY TIME, ON THURSDAY, JANUARY 25, 1996, UNLESS THE OFFER IS EXTENDED.

In all cases, payment for Shares accepted for payment pursuant to the Offer will be made only after timely receipt by the Depositary of certificates evidencing such Shares (or a confirmation of a book-entry transfer of such Shares into the Depositary's account at one of the Book-Entry Transfer Facilities (as defined in the Offer to Purchase)), a Letter of Transmittal (or facsimile thereof) properly completed and duly executed and any other required documents.

If holders of Shares wish to tender, but cannot deliver such holder's certificates, or cannot comply with the procedure for book-entry transfer, prior to the expiration of the Offer, a tender of Shares may be effected by following the guaranteed delivery procedure described under "THE TENDER OFFER -- Section 3. Procedures for Accepting the Offer and Tendering Shares" in the Offer to Purchase.

Purchaser will not pay any fees or commissions to any broker, dealer or other person (other than the Depositary and the Information Agent as described in the Offer) in connection with the solicitation of tenders of Shares pursuant to the Offer. However, Purchaser will reimburse you for customary mailing and handling expenses incurred by you in forwarding any of the enclosed materials to your clients. Purchaser will pay or cause to be paid any stock transfer taxes payable with respect to the transfer of Shares to it, except as otherwise provided in Instruction 6 of the Letter of Transmittal.

Any inquiries you may have with respect to the Offer should be addressed to Georgeson & Company Inc. (the "Information Agent") at its address and telephone number set forth on the back cover page of the Offer to Purchase.

Additional copies of the enclosed material may be obtained from the Information Agent, at the addresses and telephone numbers set forth on the back cover page of the Offer to Purchase.

Very truly yours,

SCS Subsidiary, Inc.

NOTHING CONTAINED HEREIN OR IN THE ENCLOSED DOCUMENTS SHALL CONSTITUTE YOU OR ANY OTHER PERSON THE AGENT OF PURCHASER, PARENT, THE COMPANY, THE INFORMATION AGENT OR THE DEPOSITARY, OR OF ANY AFFILIATE OF ANY OF THEM, OR AUTHORIZE YOU OR ANY OTHER PERSON TO USE ANY DOCUMENT OR TO MAKE ANY STATEMENT ON BEHALF OF ANY OF THEM IN CONNECTION WITH THE OFFER OTHER THAN THE ENCLOSED DOCUMENTS AND THE STATEMENTS CONTAINED THEREIN.

OFFER TO PURCHASE FOR CASH
ALL SHARES OF COMMON STOCK

OF

SCS/COMPUTE, INC.
AT
$6.75 NET PER SHARE
BY

SCS SUBSIDIARY, INC.,
A DIRECT WHOLLY OWNED SUBSIDIARY OF

THOMSON U.S. HOLDINGS INC.,
AN INDIRECT WHOLLY OWNED SUBSIDIARY OF

THE THOMSON CORPORATION

THE OFFER AND WITHDRAWAL RIGHTS WILL EXPIRE AT 12:00 MIDNIGHT,
NEW YORK CITY TIME, ON THURSDAY, JANUARY 25, 1996,
UNLESS THE OFFER IS EXTENDED.

To Our Clients:

Enclosed for your consideration are an Offer to Purchase, dated December 27, 1995 (the "Offer to Purchase"), and a related Letter of Transmittal in connection with the offer by SCS Subsidiary, Inc., a Delaware corporation ("Purchaser") and a direct wholly owned subsidiary of Thomson U.S. Holdings Inc., a Delaware corporation ("Parent") and an indirect wholly owned subsidiary of The Thomson Corporation, a corporation organized under the laws of Ontario, Canada, to purchase all outstanding shares of Common Stock, par value $.10 per share (the "Shares"), of SCS/Compute, Inc., a Delaware corporation (the "Company"), at a price of $6.75 per Share, net to the seller in cash, upon the terms and subject to the conditions set forth in the Offer to Purchase and in the related Letter of Transmittal (which, together with the Offer to Purchase, constitute the "Offer").

We (or our nominee) are the holder of record of Shares held by us for your account. A TENDER OF SUCH SHARES CAN BE MADE ONLY BY US AS THE HOLDER OF RECORD AND PURSUANT TO YOUR INSTRUCTIONS. THE LETTER OF TRANSMITTAL IS FURNISHED TO YOU FOR YOUR INFORMATION ONLY AND CANNOT BE USED BY YOU TO TENDER SHARES HELD BY US FOR YOUR ACCOUNT.

We request instructions as to whether you wish to have us tender on your behalf any or all of the Shares held by us for your account, upon the terms and subject to the conditions set forth in the Offer.

Your attention is invited to the following:

1. The tender price is $6.75 per Share, net to the seller in cash.

2. The Offer is being made for all of the issued and outstanding Shares.

3. The Board of Directors of the Company has determined that each of the Offer and the Merger (as defined in the Offer to Purchase) is fair to, and in the best interests of, the stockholders of the Company, and recommends that stockholders accept the Offer and tender their Shares pursuant to the Offer.

4. The Offer and withdrawal rights will expire at 12:00 Midnight, New York City time, on Thursday, January 25, 1996, unless the Offer is extended.

5. The Offer is conditioned upon, among other things, there being validly tendered and not withdrawn prior to the expiration of the Offer at least the number of Shares that when added to the number of Shares to be purchased by Purchaser pursuant to the Stock Purchase Agreement shall constitute a majority of the Shares outstanding on a fully diluted basis. The Offer is also conditioned upon, among other things, the expiration or termination of the applicable antitrust waiting period.

6. Tendering stockholders will not be obligated to pay brokerage fees or commissions or, except as otherwise provided in Instruction 6 of the Letter of Transmittal, stock transfer taxes with respect to the purchase of Shares by Purchaser pursuant to the Offer.

If you wish to have us tender any or all of your Shares, please so instruct us by completing, executing and returning to us the instruction form contained in this letter. An envelope in which to return your instructions to us is enclosed. If you authorize the tender of your Shares, all such Shares will be tendered unless otherwise specified in your instructions. YOUR INSTRUCTIONS SHOULD BE FORWARDED TO US IN AMPLE TIME TO PERMIT US TO SUBMIT A TENDER ON YOUR BEHALF PRIOR TO THE EXPIRATION OF THE OFFER.

The Offer is made solely by the Offer to Purchase and the related Letter of Transmittal and is being made to all holders of Shares. Purchaser is not aware of any state where the making of the Offer is prohibited by administrative or judicial action pursuant to any valid state statute. If Purchaser becomes aware of any valid state statute prohibiting the making of the Offer or the acceptance of Shares pursuant thereto, Purchaser will make a good faith effort to comply with such state statute. If, after such good faith effort, Purchaser cannot comply with such state statute, the Offer will not be made to (nor will tenders be accepted from or on behalf of) the holders of Shares in such state. In any jurisdiction where the securities, blue sky or other laws require the Offer to be made by a licensed broker or dealer, the Offer shall be deemed to be made on behalf of Purchaser by one or more registered brokers or dealers licensed under the laws of such jurisdiction.

INSTRUCTIONS WITH RESPECT TO THE
OFFER TO PURCHASE FOR CASH
ALL OUTSTANDING SHARES OF COMMON STOCK OF
SCS/COMPUTE, INC. BY SCS SUBSIDIARY, INC.

The undersigned acknowledge(s) receipt of your letter and the enclosed Offer to Purchase, dated December 27, 1995, and the related Letter of Transmittal (which together constitute the "Offer") in connection with the offer by SCS Subsidiary, Inc., a Delaware corporation and a wholly owned subsidiary of Thomson U.S. Holdings Inc., a Delaware corporation and an indirect wholly owned subsidiary of The Thomson Corporation, a corporation organized under the laws of Ontario, Canada, to purchase all outstanding shares of Common Stock, par value $.10 per share (the "Shares"), of SCS/Compute Inc., a Delaware corporation.

This will instruct you to tender the number of Shares indicated below (or, if no number is indicated below, all Shares) that are held by you for the account of the undersigned, upon the terms and subject to the conditions set forth in the Offer.

NUMBER OF SHARES TO BE TENDERED:
_____ SHARES*

Dated: , 199

SIGN HERE

Signature(s)

Please type or print name(s)

Please type or print address

Area Code and Telephone Number

Taxpayer Identification or
Social Security Number

* Unless otherwise indicated, it will be assumed that all of your Shares are to be tendered.

GUIDELINES FOR CERTIFICATION OF TAXPAYER IDENTIFICATION NUMBER ON SUBSTITUTE FORM W-9

IRS INSTRUCTIONS
(SECTION REFERENCES ARE TO THE INTERNAL REVENUE CODE.)

PURPOSE OF FORM. -- A person who is required to file an information return with the Internal Revenue Service (the IRS) must obtain your correct taxpayer identification number (TIN) to report income paid to you, real estate transactions, mortgage interest you paid, the acquisition or abandonment of secured property, or contributions you made to an individual retirement account (IRA). Use Form W-9 to furnish your correct TIN to the requester (the person asking you to furnish your TIN), and, when applicable, (1) to certify that the TIN you are furnishing is correct (or that you are waiting for a number to be issued), (2) to certify that you are not subject to backup withholding, and (3) to claim exemption from backup withholding if you are an exempt payee. Furnishing your correct TIN and making the appropriate certifications will prevent certain payments from being subject to backup withholding.

NOTE: IF A REQUESTER GIVES YOU A FORM OTHER THAN A W-9 TO REQUEST YOUR TIN, YOU MUST USE THE REQUESTER'S FORM.

HOW TO OBTAIN A TIN. -- If you do not have a TIN, apply for one immediately. To apply, get FORM SS-5, Application for a Social Security Card (SSN) (for individuals), from your local office of the Social Security Administration, or FORM SS-4, Application for Employer Identification Number (EIN) (for businesses and all other entities), from your local IRS office.

To complete Form W-9, if you do not have a TIN, and have applied for one or intend to apply for one in the near future, write "Applied For" in the space provided in Part I of the Substitute W-9, sign and date the form, and give it to the requestor. Generally, you will then have 60 days to obtain a TIN and furnish it to the requester. If the requester does not receive your TIN within 60 days, backup withholding, if applicable, will begin and continue until you furnish your TIN to the requester. For reportable interest or dividend payments, the payer must exercise one of the following options concerning backup withholding during this 60-day period. Under option (1), a payer must backup withhold on any withdrawals you make from your account after 7 business days after the requester receives this form back from you. Under option (2), the payer must backup withhold on any reportable interest or dividend payments made to your account, regardless of whether you make any withdrawals. The backup withholding under option (2) must begin no later than 7 business days after the requester receives this form back. Under option (2), the payer is required to refund the amounts withheld if your certified TIN is received within the 60-day period and you were not subject to backup withholding during the period.

As soon as you receive your TIN, complete another Form W-9, include your TIN, sign and date this form, and give it to the requester.

WHAT IS BACKUP WITHHOLDING? -- Persons making certain payments to you after 1992 are required to withhold and pay to the IRS 31% of such payments under certain conditions. This is called "backup withholding." Payments that could be subject to backup withholding include interest, dividends, broker and barter exchange transactions, rents, royalties, nonemployee compensation, and certain payments from fishing boat operators, but do not include real estate transactions.

If you give the requester your correct TIN, make the appropriate certifications, and report all your taxable interest and dividends on your tax return, your payments will not be subject to backup withholding. Payments you receive will be subject to backup withholding if:

(1) You do not furnish your TIN to the requester, or

(2) The IRS notifies the requester that you furnished an incorrect TIN, or

(3) You are notified by the IRS that you are subject to backup withholding because you failed to report all your interest and dividends on your tax return (for reportable interest and dividends only), or

(4) You fail to certify to the requester that you are not subject to backup withholding under (3) above (for reportable interest and dividend accounts opened after 1983 only), or

(5) You fail to certify your TIN. This applies only to reportable interest, dividend, broker or barter exchange accounts opened after 1983, or broker accounts considered inactive in 1983.

Except as explained in (5) above, other reportable payments are subject to backup withholding only if (1) or (2) above applies. Certain payees and payments are exempt from backup withholding and information reporting. See PAYEES AND PAYMENTS EXEMPT FROM BACKUP WITHHOLDING, below, and EXEMPT PAYEES AND PAYMENTS under SPECIFIC INSTRUCTIONS, on page 2, if you are an exempt payee.

PAYEES AND PAYMENTS EXEMPT FROM BACKUP WITHHOLDING. -- The following is a list of payees exempt from backup withholding and for which no information reporting is required. For interest and dividends, all listed payees are exempt except item (9). For broker transactions, payees listed in (1) through (13) and a person registered under the Investment Advisers Act of 1940 who regularly acts as a broker are exempt. Payments subject to reporting under sections 6041 and

6041A are generally exempt from backup withholding only if made to payees described in items (1) through (7), except that a corporation that provides medical and health care services or bills and collects payments for such services is not exempt from backup withholding or information reporting. Only payees described in items (2) through (6) are exempt from backup withholding for barter exchange transactions, patronage dividends, and payments by certain fishing boat operators.

(1) A corporation.

(2) An organization exempt from tax under Section 501(a), or an IRA, or a custodial account under section 403(b)(7).

(3) The United States or any of its agencies or instrumentalities.

(4) A state, the District of Columbia, a possession of the United States, or any of their political subdivisions or instrumentalities.

(5) A foreign government or any of its political subdivisions, agencies or instrumentalities.

(6) An international organization or any of its agencies or instrumentalities.

(7) A foreign central bank of issue.

(8) A dealer in securities or commodities required to register in the U.S. or a possession of the U.S.

(9) A futures commission merchant registered with the Commodity Futures Trading Commission.

(10) A real estate investment trust.

(11) An entity registered at all times during the tax year under the Investment Company Act of 1940.

(12) A common trust fund operated by a bank under section 584(a).

(13) A financial institution.

(14) A middleman known in the investment community as a nominee or listed in the most recent publication of the American Society of Corporation Secretaries, Inc., Nominee List.

(15) A trust exempt from tax under section 664 or described in section 4947.

Payments of dividends and patronage dividends generally not subject to backup withholding also include the following:

- Payments to nonresident aliens subject to withholding under section 1441.
- Payments to partnerships not engaged in trade or business in the U.S. and that have at least one nonresident partner.
- Payments of patronage dividends not paid in money.
- Payments made by certain foreign organizations.

Payments of interest generally not subject to backup withholding include the following:

- Payments of interest on obligations issued by individuals.

NOTE: YOU MAY BE SUBJECT TO BACKUP WITHHOLDING IF THIS INTEREST IS $600 OR MORE AND IS PAID IN THE COURSE OF THE PAYER'S TRADE OR BUSINESS AND YOU HAVE NOT PROVIDED YOUR CORRECT TIN TO THE PAYER.

- Payments of tax-exempt interest (including exempt-interest dividends under section 852).
- Payments described in section 6049(b)(5) to nonresident aliens.
- Payments on tax-free covenant bonds under section 1451.
- Payments made by certain foreign organizations.
- Mortgage interest paid by you.

Payments that are not subject to information reporting are also not subject to backup withholding. For details, see sections 6041, 6041A(a), 6042, 6044, 6045, 6049, 6050A, and 6050N, and their regulations.

PENALTIES

FAILURE TO FURNISH TIN. -- If you fail to furnish your correct TIN to a requester, you are subject to a penalty of $50 for each such failure unless your failure is due to reasonable cause and not to willful neglect.

Civil Penalty for False Information With Respect to Withholding. -- If you make a false statement with no reasonable basis that results in no backup withholding, you are subject to a $500 penalty.

Criminal Penalty for Falsifying Information. -- Willfully falsifying certifications or affirmations may subject you to criminal penalties including fines and/or imprisonment.

MISUSE OF TINS. -- If the requester discloses or uses TINs in violation of Federal law, the requester may be subject to civil and criminal penalties.

SPECIFIC INSTRUCTIONS

NAME. -- If you are an individual, you must generally provide the name shown on your social security card. However, if you have changed your last name, for

instance, due to marriage, without informing the Social Security Administration of the name change, please enter your first name, the last name shown on your social security card and your new last name.

If you are a sole proprietor, you must furnish your individual name and either your SSN or EIN. You may also enter your business name. Enter your name(s) as shown on your social security card and/or as it was used to apply for your EIN on Form SS-4.

SIGNING THE CERTIFICATION. --

(1) INTEREST, DIVIDEND, AND BARTER EXCHANGE ACCOUNTS OPENED BEFORE 1984 AND BROKER ACCOUNTS CONSIDERED ACTIVE DURING 1983. -- You are required to furnish your correct TIN, but you are not required to sign the certification.

(2) INTEREST, DIVIDEND, BROKER AND BARTER EXCHANGE ACCOUNTS OPENED AFTER 1983 AND BROKER ACCOUNTS CONSIDERED INACTIVE DURING 1983. -- You must sign the certification or backup withholding will apply. If you are subject to backup withholding and you are merely providing your correct TIN to the requester, you must cross out item (2) in the certification before signing the form.

(3) REAL ESTATE TRANSACTIONS. -- You must sign the certification. You may cross out item (2) of the certification.

(4) OTHER PAYMENTS. -- You are required to furnish your correct TIN, but you are not required to sign the certification unless you have been notified of an incorrect TIN. Other payments include payments made in the course of the requester's trade or business for rents, royalties, goods (other than bills for merchandise), medical and health care services, payments to a nonemployee for services (including attorney and accounting fees), and payments to certain fishing boat crew members.

(5) MORTGAGE INTEREST PAID BY YOU, ACQUISITION OR ABANDONMENT OF SECURED PROPERTY, OR IRA CONTRIBUTIONS. -- You are requested to furnish your correct TIN, but you are not required to sign the certification.

(6) EXEMPT PAYEES AND PAYMENTS. -- If you are exempt from backup withholding, you should complete this form to avoid possible erroneous backup withholding. Enter your correct TIN in Part 1, write "EXEMPT" in the space in Part II, and sign and date the form. If you are a nonresident alien or foreign entity not subject to backup withholding, give the requester a completed Form W-8, Certificate of Foreign Status.

(7) "AWAITING TIN". -- Follow the instructions under HOW TO OBTAIN A TIN, on page 1, write "Applied For" in the space provided for the TIN in Part I of the Substitute Form W-9 and sign and date the form.

SIGNATURE. -- For a joint account, only the person whose TIN is shown in Part 1 should sign the form.

PRIVACY ACT NOTICE. -- Section 6109 requires you to furnish your correct TIN to persons who must file information returns with the IRS to report interest, dividends, and certain other income paid to you, mortgage interest you paid, the acquisition or abandonment of secured property, cancellation of debt or contributions you made to an IRA. The IRS uses the numbers for identification purposes and to help verify the accuracy of your tax return. You must provide your TIN whether or not you are required to file a tax return. Payers must generally withhold 31% of taxable interest, dividends, and certain other payments to a payee who does not furnish a TIN to a payer. Certain penalties may also apply.

WHAT NAME AND NUMBER TO GIVE THE REQUESTER

FOR THIS TYPE OF ACCOUNT:	GIVE THE SOCIAL SECURITY NUMBER OF --
1. Individual	The individual
2. Two or more individuals (joint account)	The actual owner of the account or, if combined funds, the first individual on the account(1)
3. Custodian account of a minor (Uniform Gift to Minors Act)	The minor(2)
4. a. The usual revocable savings trust (grantor is also trustee)	The grantor-trustee(1)
b. So-called trust account that is not a legal or valid trust under state law	The actual owner(1)
5. Sole proprietorship	The owner(3)
6. Sole proprietorship	The owner(3)
FOR THIS TYPE OF ACCOUNT:	**GIVE THE EMPLOYER IDENTIFICATION NUMBER OF --**
7. A valid trust, estate or pension trust	Legal entity(4)
8. Corporate	The corporation
9. Association, club, religious, charitable, educational, or other tax-exempt organization	The organization
10. Partnership	The partnership
11. A broker or registered nominee	The broker or nominee
12. Account with the Department of Agriculture in the name of a public entity (such as a state or local government, school district, or prison) that receives agricultural program payments	The public entity

(1) List first and circle the name of the person whose number you furnish.
(2) Circle the minor's name and furnish the minor's social security number.
(3) Show the individual's name. You may also enter your business name. You may use your SSN or EIN.
(4) List first and circle the name of the legal trust, estate, or pension trust. (Do not furnish the TIN of the personal representative or trustee unless the legal entity itself is not designated in the account title.)

NOTE: IF NO NAME IS CIRCLED WHEN THERE IS MORE THAN ONE NAME, THE NUMBER WILL BE CONSIDERED TO BE THAT OF THE FIRST NAME LISTED.

This announcement is neither an offer to purchase nor a solicitation of an offer to sell Shares (as defined below). The Offer is made solely by the Offer to Purchase (as defined below) and the related Letter of Transmittal, and is being made to all holders of Shares. Purchaser (as defined below) is not aware of any state where the making of the Offer is prohibited by administrative or judicial action pursuant to any valid state statute. If Purchaser becomes aware of any valid state statute prohibiting the making of the Offer or the acceptance of Shares pursuant thereto, Purchaser will make a good faith effort to comply with such state statute. If, after such good faith effort, Purchaser cannot comply with such state statute, the Offer will not be made to (nor will tenders be accepted from or on behalf of) the holders of Shares in such state. In any jurisdiction where the securities, blue sky or other laws require the Offer to be made by a licensed broker or dealer, the Offer shall be deemed to be made on behalf of Purchaser by one or more registered brokers or dealers licensed under the laws of such jurisdiction.

Notice of Offer to Purchase for Cash

All Outstanding Shares of Common Stock

of

SCS/Compute, Inc.

at

$6.75 Net Per Share

by

SCS Subsidiary, Inc.

a direct wholly owned subsidiary of

Thomson U.S. Holdings Inc.,

an indirect wholly owned subsidiary of

The Thomson Corporation

SCS Subsidiary, Inc., a Delaware corporation ("Purchaser") and a direct wholly owned subsidiary of Thomson U.S. Holdings Inc., a Delaware corporation ("Parent") and an indirect wholly owned subsidiary of The Thomson Corporation, a corporation organized under the laws of Ontario, Canada, is offering to purchase all outstanding shares of Common Stock, par value $.10 per share (the "Shares"), of SCS/Compute, Inc., a Delaware corporation (the "Company"), at a price of $6.75 per Share, net to the seller in cash, upon the terms and subject to the conditions set forth in the Offer to Purchase, dated December 27, 1995 (the "Offer to Purchase"), and in the related Letter of Transmittal (which together constitute the "Offer"). Following the Offer, Purchaser intends to effect the Merger described below.

- ---

THE OFFER AND WITHDRAWAL RIGHTS WILL EXPIRE AT 12:00 MIDNIGHT, NEW YORK CITY TIME, ON THURSDAY, JANUARY 25, 1996, UNLESS THE OFFER IS EXTENDED.

- ---

The Offer is conditioned upon, among other things, there being validity tendered and not withdrawn prior to the expiration of the Offer at least the number of Shares that when added to the number of Shares to be purchased by Purchaser pursuant to the Stock Purchase Agreement (as described below) shall constitute a majority of the Shares outstanding on a fully diluted basis. The Offer is also conditioned upon, among other things, the expiration or termination of the applicable antitrust waiting period.

The Offer is being made pursuant to an Agreement and Plan of Merger, dated as of December 19, 1995 (the "Merger Agreement"), among Parent, Purchaser and the Company. The Merger Agreement provides that, among other things, as soon as practicable after the purchase of Shares pursuant to the Offer and the satisfaction of the other conditions set forth in the Merger Agreement and in accordance with relevant provisions of the General Corporation Law of the State of Delaware ("Delaware Law"), Purchaser will be merged with and into the Company (the "Merger"). Following consummation of the Merger, the Company will continue as the surviving corporation (the "Surviving Corporation") and will become a wholly owned subsidiary of Parent. At the effective time of the Merger (the "Effective Time"), each Share issued and outstanding immediately prior to the Effective Time (other than Shares held in the treasury of the Company, or owned by Purchaser, Parent or any direct or indirect wholly owned subsidiary of Parent, and other than Shares held by stockholders who shall have demanded and perfected appraisal rights, if any, under Delaware Law) will be cancelled and converted automatically into the right to receive $6.75 in cash, or any higher price that may be paid per Share in the Offer, without interest.

THE BOARD OF DIRECTORS OF THE COMPANY HAS DETERMINED THAT EACH OF THE OFFER AND THE MERGER IS FAIR TO, AND IN THE BEST INTERESTS OF, THE STOCKHOLDERS OF THE COMPANY, AND RECOMMENDS THAT STOCKHOLDERS ACCEPT THE OFFER AND TENDER THEIR SHARES PURSUANT TO THE OFFER.

Simultaneously with entering into the Merger Agreement, Parent, Purchaser and Robert W. Nolan, Sr., President and Chief Executive Officer of

the Company, entered into a Stock Purchase Agreement dated as of December 19, 1995 (the "Stock Purchase Agreement"), pursuant to which Mr. Nolan has agreed to sell 1,082,570 Shares, representing approximately 40.1% of the outstanding Shares, to Purchaser for a purchase price per Share equal to the price per Share payable in the Offer.

For purposes of the Offer, Purchaser will be deemed to have accepted for payment (and thereby purchased) Shares validly tendered and not properly withdrawn as, if and when Purchaser gives oral or written notice to Chemical Mellon Shareholder Services, L.L.C. (the "Depositary") of Purchaser's acceptance for payment of such Shares pursuant to the Offer. Upon the terms and subject to the conditions of the Offer, payment for Shares accepted for payment pursuant to the Offer will be made by deposit of the purchase price therefor with the Depositary, which will act as agent for tendering stockholders for the purpose of receiving payments from Purchaser and transmitting such payments to tendering stockholders whose Shares have been accepted for payment. Under no circumstances will interest on the purchase price for Shares be paid, regardless of any delay in making such payment. In all cases, payment for Shares tendered and accepted for payment pursuant to the Offer will be made only after timely receipt by the Depositary of (i) the certificates evidencing such Shares (the "Share Certificates") or timely confirmation of a book-entry transfer of such Shares into the Depositary's account at one of the Book-Entry Transfer Facilities (as defined in "THE TENDER OFFER -- Section 2. Acceptance for Payment and Payment for Shares" of the Offer to Purchase) pursuant to the procedure set forth in "THE TENDER OFFER -- Section 3. Procedures for Accepting the Offer and Tendering Shares" of the Offer to Purchase, (ii) the Letter of Transmittal (or a facsimile thereof), properly completed and duly executed, with any required signature guarantees and (iii) any other documents required under the Letter of Transmittal.

Purchaser expressly reserves the right, in its sole discretion (but subject to the terms and conditions of the Merger Agreement), at any time and from time to time, to extend for any reason the period of time during which the Offer is open, including the occurrence of any condition specified in "THE TENDER OFFER -- Section 14. Certain Conditions of the Offer" of the Offer to Purchase, by giving oral or written notice of such extension to the Depositary. Any such extension will be followed as promptly as practicable by public announcement thereof, such announcement to be made no later than 9:00 a.m., New York City time, on the next business day after the previously scheduled expiration date of the Offer. During any such extension, all Shares previously tendered and not withdrawn will remain subject to the Offer, subject to the rights of tendering stockholders to withdraw their Shares.

Tenders of Shares made pursuant to the Offer are irrevocable except that such Shares may be withdrawn at any time prior to 12:00 Midnight, New York City time, on Thursday, January 25, 1996 (or the latest time and date at which the Offer, if extended by Purchaser, shall expire) and, unless theretofore accepted for payment by Purchaser pursuant to the Offer, may also be withdrawn at any time after February 24, 1996. For the withdrawal to be effective, a written, telegraphic, telex or facsimile transmission notice of withdrawal must be timely received by the Depositary at one of its addresses set forth on the back cover page of the Offer to Purchase. Any such notice of withdrawal must specify the name of the person who tendered the Shares to be withdrawn, the number of Shares to be withdrawn and the name of the registered holder of such Shares, if different from that of the person who tendered such Shares. If Share Certificates evidencing Shares to be withdrawn have been delivered or otherwise identified to the Depositary, then, prior to the physical release of such Share Certificates, the serial numbers shown on such Share Certificates must be submitted to the Depositary, and the signature(s) on the notice of withdrawal must be guaranteed by an Eligible Institution (as defined in "THE TENDER OFFER -- Section 3. Procedures for Accepting the Offer and Tendering Shares" of the Offer to Purchase), unless such Shares have been tendered for the account of an Eligible Institution. If Shares have been tendered pursuant to the procedure for book-entry transfer as set forth in "THE TENDER OFFER -- Section 3. Procedures for Accepting the Offer and Tendering Shares" of the Offer to Purchase, any notice of withdrawal must specify the name and number of the account at the Book-Entry Transfer Facility to be credited with the withdrawn Shares. All questions as to the form and validity (including the time of receipt) of any notice of withdrawal will be determined by Purchaser, in its sole discretion, whose determination will be final and binding.

The information required to be disclosed by Rule 14d-6(e)(1)(vii) of the General Rules and Regulations under the Securities Exchange Act of 1934, as amended, is contained in the Offer to Purchase and is incorporated herein by reference.

The Company has provided Purchaser with the Company's stockholder list and security position listings for the purpose of disseminating the Offer to holders of Shares. The Offer to Purchase and the related Letter of Transmittal will be mailed to record holders of Shares whose names appear on the Company's stockholder list and will be furnished to brokers, dealers, commercial banks, trust companies and similar persons whose names, or the names of whose nominees, appear on the stockholder list or, if applicable, who are listed as participants in a clearing agency's security position listing for subsequent transmittal to beneficial owners of Shares.

THE OFFER TO PURCHASE AND THE RELATED LETTER OF TRANSMITTAL CONTAIN IMPORTANT INFORMATION WHICH SHOULD BE READ BEFORE ANY DECISION IS MADE WITH RESPECT TO THE OFFER.

Questions and requests for assistance or for additional copies of the Offer to Purchase and the related Letter of Transmittal and other tender offer materials may be directed to the Information Agent as set forth below, and copies will be furnished promptly at Purchaser's expense. No fees or commissions will be paid to brokers, dealers or other persons (other than the

Information Agent) for soliciting tenders of Shares pursuant to the Offer.

The Information Agent for the Offer is:

[GEORGESON & COMPANY INC. LOGO]

Wall Street Plaza
New York, New York 10005
Banks and Brokers call collect (212) 440-9800
CALL TOLL FREE: 1-800-223-2064

December 27, 1995

[SCS/COMPUTE(R) LETTERHEAD]

NEWS RELEASE

Contact at The Thomson Corporation: Nigel R. Harrison
Executive Vice President
203/328-9422

Contact at SCS/Compute: Charles G. Wilson
Executive Vice President
314/432-7323

FOR IMMEDIATE RELEASE

THE THOMSON CORPORATION AND SCS/COMPUTE, INC. APPROVE MERGER AGREEMENT

ST. LOUIS, December 20, 1995 -- SCS/Compute, Inc. (SCS), a leading software supplier to tax and accounting professionals, announced today that it has entered into a definitive agreement and plan of merger with Thomson U.S. Holdings, Inc., a division of The Thomson Corporation (Thomson) of Toronto, Canada. The principal activities of Thomson are specialized information and publishing, and leisure travel. With annual sales of U.S. $6.5 billion, and 45,000 employees, Thomson operates primarily in North America and the United Kingdom and has expanding interests internationally.

Robert W. Nolan, Sr., chairman, president and chief executive officer of SCS, has entered into a definitive agreement with Thomson to sell his 1,082,570 shares of common stock at a price of $6.75 per share. Under the terms of the merger agreement, Thomson will begin a $6.75 per share cash tender offer no later than Wednesday, December 27, 1995 for the remaining 1,489,407 shares of SCS's outstanding common stock. SCS is listed on the NASDAQ Small-Cap Stock market under the symbol SCOMC.

The Board of Directors of SCS has approved the merger agreement and has determined that the proposed transaction is fair to, and in the best interests of, the SCS stockholders. In reaching this conclusion, the Board of Directors relied in part upon the fairness opinion from Fister & Associates, Inc., the financial advisor to SCS.

The acquisition is subject to more than 50 percent of the shares outstanding being tendered, including Nolan's stock. The completion of the merger is also subject to other customary conditions. Following the completion of the transaction, SCS will operate as a separate company within Thomson's Research Institute of America (RIA) Group. RIA Group, formed earlier this year, is comprised of RIA, Warren Gorham & Lamont, and Practitioners Publishing Company. Together these professional publishers are one of the leading information providers to the tax and accounting markets in the United States.

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FIVE YEAR SUMMARY
(millions of US dollars except per common share amounts)

	1994	1993	1992	1991	1990
SALES					
Thomson Corporation Publishing International(1)	1,885	1,709	1,758	1,607	1,586
Thomson Financial & Professional Publishing	1,132	992	893	783	729
Total Information/Publishing	3,017	2,701	2,651	2,390	2,315
Thomson Newspapers	1,110	1,108	1,125	1,142	1,158
Thomson Travel	2,227	2,040	2,204	2,057	1,891
	6,354	5,849	5,980	5,589	5,364
OPERATING PROFIT BEFORE AMORTIZATION, CORPORATE AND UNUSUAL CHARGES					
Thomson Corporation Publishing International(1)	313	291	255	235	244
Thomson Financial & Professional Publishing	175	149	135	128	128
Total Information/Publishing	488	440	390	363	372
Thomson Newspapers	191	174	191	228	282
Thomson Travel	140	117	107	101	72
	819	731	688	692	726
OPERATING CASH FLOW(2)					
Thomson Corporation Publishing International(1)	411	375	331	308	306
Thomson Financial & Professional Publishing	235	198	171	156	155
Total Information/Publishing	646	573	502	464	461
Thomson Newspapers	247	227	242	270	317
Thomson Travel	208	181	178	164	127
	1,101	981	922	898	905
EARNINGS	427	277	166	292	385
EARNINGS PER COMMON SHARE	$0.74	$0.48	$0.30	$0.53	$0.70
SUPPLEMENTAL INFORMATION(3)					
Earnings excluding unusual charges	427	352	336	292	323
Earnings per common share excluding unusual charges	$0.74	$0.62	$0.60	$0.53	$0.59

(1) Thomson Corporation Publishing International includes the operations of Thomson Regional Newspapers in the UK.
(2) Operating cash flow is operating profit (before amortization, corporate and unusual charges) after adding back depreciation.
(3) For comparability with prior years, supplemental earnings and earnings per common share are shown after adjusting for:
    a) The reduction of 1990 earnings for amortization of publishing rights and circulation of $62 million ($0.11 per common share). The accounting standard requiring the amortization of publishing rights and circulation was adopted prospectively in 1991 and prior years were not restated.
    b) The add back of unusual charges of $75 million ($0.14 per common share), net of tax, in 1993 and $170 million ($0.30 per common share), net of tax, in 1992.

MANAGEMENT REPORT

The management of The Thomson Corporation is responsible for the accompanying consolidated financial statements and other information included in the annual report. The financial statements have been prepared in conformity with Canadian generally accepted accounting principles using the best estimates and judgments of management, where appropriate. Information presented elsewhere in this annual report is consistent with that in the financial statements.

Management is also responsible for a system of internal control which is designed to provide reasonable assurance that assets are safeguarded, liabilities are recognized and that the accounting systems provide timely and accurate financial reports.

The Board of Directors is responsible for ensuring that management fulfils its responsibilities in respect of financial reporting and internal control. The Audit Committee of the Board of Directors meets periodically with management and the Corporation's independent auditors to discuss auditing matters and financial reporting issues. In addition, the Audit Committee reviews the annual consolidated financial statements and annually recommends to the Board of Directors the appointment of the independent auditors.

/s/ MICHAEL BROWN
- ----------
Michael Brown
President

/s/ NIGEL R. HARRISON

Nigel R. Harrison
Executive Vice-President and
Chief Financial Officer

March 15, 1995

AUDITOR'S REPORT

To the shareholders of The Thomson Corporation

We have audited the accompanying consolidated balance sheets of The Thomson Corporation as at December 31, 1994 and 1993 and the consolidated statements of earnings and retained earnings and of changes in cash position for the years then ended. These financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance as to whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Corporation as at December 31, 1994 and 1993 and the results of its operations and the changes in its cash position for the years then ended in accordance with generally accepted accounting principles.

PRICE WATERHOUSE
- ----------
Price Waterhouse
Chartered Accountants
Toronto, Canada

March 15, 1995

CONSOLIDATED STATEMENT OF EARNINGS AND RETAINED EARNINGS

(millions of US dollars except per common share amounts)

YEAR ENDED DECEMBER 31	1994	1993
Sales	6,354	5,849
Cost of sales, selling, marketing, general and administrative expenses	(5,253)	(4,868)
Depreciation	(282)	(250)
Operating profit before amortization, corporate and unusual charges	819	731
Amortization (notes 9 and 10)	(118)	(115)
Corporate and other (note 2)	(15)	(14)
Unusual charges (note 3)	--	(100)
Operating profit after amortization, corporate and unusual charges	686	502
Net interest expense and other financing costs (note 4)	(169)	(175)
Income taxes (note 5)	(90)	(50)
Earnings	427	277
Retained earnings at beginning of year	2,599	2,580
Dividends declared on common shares (note 14)	(269)	(258)
Retained earnings at end of year	2,757	2,599
Earnings per common share (note 6)	$0.74	$0.48

CONSOLIDATED BALANCE SHEET
(millions of US dollars)

December 31	1994	1993
ASSETS		
CURRENT ASSETS:		
Cash and short-term investments, at cost which approximates market	514	496
Accounts receivable	821	671
Inventories	292	272
Prepaid expenses and other current assets	318	331
	1,945	1,770
Property and equipment (note 7)	1,467	1,378
Aircraft and spares (note 8)	748	681
Publishing rights and circulation (note 9)	3,184	2,611
Goodwill (note 10)	1,665	1,412
Other assets	349	361
	9,358	8,213
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Short-term indebtedness	204	178
Accounts payable	1,112	914
Deferred revenue	662	552
Current portion of long-term debt and finance leases (notes 11 and 12)	28	15
	2,006	1,659
Long-term debt (note 11)	2,998	2,612
Finance leases (note 12)	378	381
Other liabilities	411	300
Deferred income taxes	313	269
	6,106	5,221
SHAREHOLDERS' EQUITY:		
Share capital (notes 13 and 14)	830	728
Cumulative translation adjustment	(335)	(335)
Retained earnings	2,757	2,599
	3,252	2,992
	9,358	8,213

Approved by the Board

/s/ K.R. THOMSON
Kenneth R. Thomson, Director

/s/ MICHAEL BROWN
Michael Brown, Director

CONSOLIDATED STATEMENT OF CHANGES IN CASH POSITION
(millions of US dollars except per common share amounts)

Year ended December 31	1994	1993
CASH PROVIDED BY (USED FOR):		
OPERATIONS		
Earnings	427	277
Add (deduct) items not involving cash:		
Depreciation	282	250
Amortization	118	115
Unusual charges	--	91
Deferred taxes	22	(11)
Other	25	30
	874	752
Changes in working capital and other items	87	5
	961	757
INVESTING ACTIVITIES		
Acquisitions of businesses, less cash therein of $28 million (1993--$1 million)	(876)	(90)
Proceeds from disposals of businesses	62	71
Additions to property and equipment, less proceeds from disposals of $14 million (1993--$30 million)	(308)	(313)
Additions to aircraft and spares, less proceeds from disposals of $10 million (1993--$93 million)	(66)	(123)
	(1,188)	(455)
FINANCING ACTIVITIES		
Net change in long-term debt and finance leases	370	(7)
Redemption of preference shares	--	(113)
Dividends paid on common shares (note 14)	(167)	(142)
	203	(262)
	(24)	40
Translation adjustments	16	(8)
(Decrease)/increase in cash	(8)	32
Cash at beginning of year	318	286
Cash at end of year(1)	310	318
Cash flow per common share provided by operations, before changes in working capital and other items (note 6)	$1.51	$1.32

(1) Cash comprises cash and short-term investments of $514 million (1993--$496 million) less short-term indebtedness of $204 million (1993--$178 million).

SEGMENTED INFORMATION
(millions of US dollars)

The principal activities of The Thomson Corporation (TTC) are specialized information and publishing, newspaper publishing, and leisure travel. TTC operates mainly in the United States, the United Kingdom and Canada.

BUSINESS SEGMENTS -- 1994	TCPI(1)	TFPPG	TOTAL INFORMATION/ PUBLISHING	TN	TTG	CORPORATE	TOTAL
Sales	1,885	1,132	3,017	1,110	2,227	--	6,354
Cost of sales, selling, marketing, general and administrative expenses	(1,474)	(897)	(2,371)	(863)	(2,019)	--	(5,253)
Operating cash flow	411	235	646	247	208	--	1,101
Depreciation	(98)	(60)	(158)	(56)	(68)	--	(282)
Operating profit before amortization and corporate(2)	313	175	488	191	140	--	819
Amortization	(44)	(42)	(86)	(29)	(3)	--	(118)
Corporate and other	--	--	--	--	--	(15)	(15)
Operating profit after amortization and corporate	269	133	402	162	137	(15)	686
Acquisitions of businesses	847	12	859	--	45	--	904
Additions to fixed assets(3)	136	102	238	34	102	--	374
Assets(4)	3,588	2,073	5,661	1,916	1,691	90	9,358

BUSINESS SEGMENTS -- 1993	TCPI(1)	TFPPG	TOTAL INFORMATION/ PUBLISHING	TN	TTG	CORPORATE	TOTAL
Sales	1,709	992	2,701	1,108	2,040	--	5,849
Cost of sales, selling, marketing, general and administrative expenses	(1,334)	(794)	(2,128)	(881)	(1,859)	--	(4,868)
Operating cash flow	375	198	573	227	181	--	981
Depreciation	(84)	(49)	(133)	(53)	(64)	--	(250)
Operating profit before amortization, corporate and unusual charges(2)	291	149	440	174	117	--	731
Amortization	(43)	(39)	(82)	(31)	(2)	--	(115)
Corporate and other	--	--	--	--	--	(14)	(14)
Unusual charges	--	--	--	(100)	--	--	(100)
Operating profit after amortization, corporate and unusual charges	248	110	358	43	115	(14)	502
Acquisitions of businesses	81	10	91	--	--	--	91
Additions to fixed assets(3)	124	88	212	55	169	--	436
Assets(4)	2,545	2,010	4,555	1,999	1,560	99	8,213

(1) Thomson Corporation Publishing International includes the operations of Thomson Regional Newspapers in the UK.
(2) Thomson Travel's operating profit excludes $20 million (1993 -- $11 million) of net interest income. There were no aircraft disposal profits in 1994 (1993 -- profits of $5 million).

(3) Additions to fixed assets which comprise property and equipment, and aircraft and spares, are shown net of proceeds from disposals of $24 million (1993 -- $123 million).
(4) Corporate assets principally comprise cash.

SEGMENTED INFORMATION
(millions of US dollars)

GEOGRAPHIC SEGMENTS--1994	UNITED STATES	UNITED KINGDOM	CANADA	OTHER COUNTRIES	CORPORATE	TOTAL
Sales	2,708	2,953	485	208	--	6,354
Operating profit before amortization and corporate	486	244	66	23	--	819
Amortization	(97)	(15)	(1)	(5)	--	(118)
Corporate and other	--	--	--	--	(15)	(15)
Operating profit after amortization and corporate	389	229	65	18	(15)	686
Assets	6,026	2,513	413	316	90	9,358

GEOGRAPHIC SEGMENTS--1993	UNITED STATES	UNITED KINGDOM	CANADA	OTHER COUNTRIES	CORPORATE	TOTAL
Sales	2,468	2,734	490	157	--	5,849
Operating profit before amortization, corporate and unusual charges	435	216	59	21	--	731
Amortization	(95)	(16)	(2)	(2)	--	(115)
Corporate and other	--	--	--	--	(14)	(14)
Unusual charges	(72)	--	(28)	--	--	(100)
Operating profit after amortization, corporate and unusual charges	268	200	29	19	(14)	502
Assets	5,032	2,333	446	303	99	8,213

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(unless otherwise stated, all figures are in millions of US dollars)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

PRINCIPLES OF CONSOLIDATION

The consolidated financial statements of TTC include all effectively controlled companies and are prepared in accordance with accounting principles generally accepted in Canada.

FOREIGN CURRENCY

Assets and liabilities of subsidiaries denominated in currencies other than US dollars are translated at December 31 rates of exchange and the results of their operations are translated at average rates of exchange for the year. The resulting translation adjustments are accumulated in a separate component of shareholders' equity. Other currency gains or losses are included in earnings.

The rates of exchange used to translate amounts expressed in the significant currencies other than US dollars are as follows:

	1994	1993
Pound sterling (US $/pound sterling 1)		
Average for the year	$1.53	$1.50
AT DECEMBER 31	$1.56	$1.48
CANADIAN DOLLAR (US $/CDN $1)		
AVERAGE FOR THE YEAR	$0.73	$0.78
AT DECEMBER 31	$0.71	$0.76

INVENTORIES

Inventories comprise principally finished goods and are valued at the lower of cost and net realizable value. Cost is determined principally on a first-in, first-out basis.

PROPERTY AND EQUIPMENT

Property and equipment are recorded at cost and depreciated on a straight line basis over their estimated useful lives. Buildings and building improvements are depreciated over lives ranging from 10 to 40 years. Newspaper presses and other equipment are depreciated over lives ranging from 3 to 25 years.

AIRCRAFT AND SPARES

Aircraft and spares are depreciated on a straight line basis over their estimated useful lives, ranging from 14 to 20 years.

PUBLISHING RIGHTS AND CIRCULATION

Publishing rights and circulation are recorded at acquisition cost and are amortized over periods not exceeding 40 years. Any permanent impairment in the value of publishing rights and circulation is written off against earnings.

GOODWILL

Goodwill represents the excess of the cost of the investment in acquired businesses over values attributed to underlying net tangible assets, publishing rights and circulation and is amortized over periods not exceeding 40 years. Any permanent impairment in the value of goodwill is written off against earnings.

DEFERRED REVENUE

Inclusive tour revenue is included in deferred revenue until the date of tour departure.

Subscription revenue received in advance of the delivery of services or publications is included in deferred revenue and as services are rendered or publications sent to subscribers the proportionate share is recognized as revenue.

DEFERRED INCOME TAXES

The tax allocation method is followed in providing for income taxes whereby earnings are charged with income taxes relating to reported profits. Differences between such taxes and taxes currently payable, which result from timing differences between the recognition of income and expenses for accounting and tax purposes, are reflected as deferred income taxes.

2. CORPORATE AND OTHER

Corporate and other comprises unallocated central costs, and gains and losses arising on the disposal of businesses, including in 1994 the gain on the sale of TTC's 50% interest in Thomson Directories.

3. UNUSUAL CHARGES

In 1993, a charge of $100 million was recorded for the costs to complete a restructuring program at Thomson Newspapers designed to improve the long-term competitive positioning of its newspapers in both the US and Canada and their future profitability. The restructuring program included technology and production improvements, the contracting out of certain activities, the write-off of non-productive assets, the write-down of certain intangible assets, and related severance costs.

4. NET INTEREST EXPENSE AND OTHER FINANCING COSTS

	1994	1993
Interest income	47	31
Interest on short-term indebtedness	(31)	(18)
Interest on long-term debt and finance leases	(175)	(171)
Dividends declared on preference shares	(10)	(17)
	(169)	(175)

5. INCOME TAXES

Income taxes of $90 million (1993 -- $50 million) as a percentage of pre-tax earnings are 17.4% (1993 -- $15.3%). This effective tax rate differs from the Canadian corporate tax rate of approximately 44% (1993 -- 44%) due principally to the effect of lower tax rates in other countries and the use of tax losses.

TTC and its subsidiaries have certain loss carryforwards, the benefits of which have not been recorded in these consolidated financial statements. These tax loss carryforwards approximate $400 million and expire between 1996 and 2009. The ability to realize these benefits is dependent upon a number of factors including future profitable operations in the jurisdictions in which the tax losses arose.

6. EARNINGS AND CASH FLOW PER COMMON SHARE

The weighted average number of common shares outstanding in 1994 was 580,342,513 (1993--571,329,994).

7. PROPERTY AND EQUIPMENT

	1994	1993
Land and buildings	590	594
Newspaper presses and other equipment	1,885	1,629
Newspaper presses and other equipment held under finance leases	127	155
	2,602	2,378
Accumulated depreciation	(1,135)	(1,000)
	1,467	1,378

8. AIRCRAFT AND SPARES

	1994	1993
Aircraft and spares	275	252
Aircraft held under finance leases	662	581
	937	833
Accumulated depreciation	(189)	(152)
	748	681

9. PUBLISHING RIGHTS AND CIRCULATION

	1994	1993
Publishing rights and circulation	3,528	2,891
Accumulated amortization	(344)	(280)
	3,184	2,611

The amortization charge in 1994 was $78 million (1993--$74 million).

10. GOODWILL

	1994	1993
Goodwill	1,987	1,707
Accumulated amortization	(322)	(295)
	1,665	1,412

The amortization charge in 1994 was $40 million (1993--$41 million).

11. LONG-TERM DEBT

	1994	1993
Bank -- unsecured 1995-1999	807	1,126
Eurobonds -- unsecured 1994	--	105
Debentures -- unsecured 1996-2004	1,151	969
US private placements -- unsecured 1995-2004	625	415
Loan notes -- unsecured 1995(1)	426	--
	3,009	2,615
Portion included in current liabilities(2)	(11)	(3)
	2,998	2,612

(1) These loan notes were issued in connection with the acquisition of Information Access Company in December 1994.
(2) Excluded from the current portion of long-term debt at December 31, 1994 are amounts maturing in 1995 of $824 million which TTC intends to refinance with committed revolver bank facilities. At December 31, 1994, TTC had undrawn revolver bank facilities of $1,021 million which expire in the period 1996-1999.

After taking account of hedging arrangements, long-term debt is denominated in the following currencies:

	1994	1993
US dollar	2,939	2,605
Other currencies	70	10
	3,009	2,615

The average effective cost of borrowing at December 31, 1994 was 6.9% (1993 -- 5.5%) after adjusting for hedging arrangements.

After taking account of the debt to be refinanced in 1995, maturities in each of the next five years and thereafter are: $11 million in 1995, $387 million in 1996, $343 million in 1997, $566 million in 1998, $522 million in 1999, and $1,180 million in 2000 and thereafter.

12. FINANCE LEASES

Finance lease obligations, principally in respect of aircraft and newspaper presses, are as follows:

	1994	1993
Total future minimum lease payments	612	658
Imputed interest	(217)	(265)
	395	393
Portion included in current liabilities	(17)	(12)
	378	381
Aircraft	266	264
Newspaper presses and other equipment	129	129
	395	393

Future minimum lease payments are $37 million in 1995, $38 million in 1996, $40 million in 1997, $42 million in 1998, $46 million in 1999, and $409 million in 2000 and thereafter.

The outstanding finance lease obligations, net of imputed interest, are denominated in the following currencies:

	1994	1993
Pound sterling	356	300
US dollar	39	93
	395	393

The average imputed interest rate at December 31, 1994 was 5.9% (1993--4.4%) after adjusting for hedging arrangements.

13. PREFERENCE SHARE CAPITAL

	1994		1993	
	Number of Shares	Stated Capital	Number of Shares	Stated Capital
Series II	6,000,000	110	6,000,000	110

The authorized preference share capital of TTC is an unlimited number of preference shares without par value. The directors are authorized to issue preference shares without par value in one or more series, and to determine the number of shares in and terms attaching to each such series. During 1993, TTC redeemed 6,066,768 shares, which represented all of the outstanding Series I, III and IV preference shares, for the combined stated capital amount of $113 million.

SERIES II, CUMULATIVE REDEEMABLE FLOATING RATE PREFERENCE SHARES

The Series II preference shares are non-voting and are redeemable at the option of TTC for Cdn $25.00 per share, together with accrued dividends. Dividends are payable quarterly thereon at an annual rate of 70% of the Canadian bank prime rate applied to the stated capital of such shares. The total number of authorized Series II preference shares is 6,000,000.

14. COMMON SHARE CAPITAL AND DIVIDENDS

TTC COMMON SHARES

	1994		1993	
	Number of Shares	Stated Capital	Number of Shares	Stated Capital
Balance at beginning of year	576,929,319	618	567,250,412	502
Issued	8,558,411	102	9,678,907	116
Balance at end of year	585,487,730	720	567,929,319	618

The common shares are voting shares. The authorized common share capital of TTC is an unlimited number of shares.

Holders of the common shares may participate in the dividend reinvestment plan under which cash dividends are automatically reinvested in new common shares having a value equal to the cash dividend. Such shares are valued at the weighted average price at which the common shares were traded on The Toronto Stock Exchange during the five trading days immediately preceding the record date for such dividend. All of the share issues made in 1994 and 1993 were in connection with the dividend reinvestment plan.

TTCPLC COMMON SHARES

Linked to 236,668,564 of the common shares of TTC (1993 -- 238,046,690) are the same number of related common shares of The Thomson Corporation PLC (TTCPLC) of 1 sterling penny each. Included in the stated capital of TTC is $4 million (1993 -- $4 million) in respect of these shares.

The authorized common share capital of TTCPLC is 300,000,000 shares of 1 sterling penny each. The TTCPLC common shares are non-voting and may be redeemed by TTCPLC at any time at their par value on not less than one month's prior notice. All of the voting ordinary shares of TTCPLC are held indirectly by TTC.

Dividends will be paid on the TTCPLC common shares in pounds sterling unless the shareholder has elected to receive dividends on the related TTC common shares. Dividends on the TTCPLC common shares are payable in priority to dividends on the TTCPLC voting ordinary shares.

Holders of the TTCPLC common shares may also participate in the dividend reinvestment plan and during 1994, 502,966 (1993 -- 474,277) of such shares were issued under the plan.

If at any time, any TTCPLC common shares are both registered on the Canadian branch register of TTCPLC and held by shareholders who have elected to receive dividends on their common shares of TTC rather than on the related TTCPLC common shares, such TTCPLC common shares will be redeemed by TTCPLC at par. During 1994, 1,881,092 (1993 -- 810,460) TTCPLC common shares were redeemed in this way.

DIVIDENDS

Dividends on the TTC common shares are declared and payable in US dollars. Dividends declared per common share in 1994 were 46.4 cents (1993 -- 45.2 cents). Equivalent dividends of 30.2505 pence (1993 -- 30.1048 pence) were paid per related common share of TTCPLC. Shareholders have the option of receiving dividends on the TTC common shares in equivalent Canadian funds.

In the consolidated statement of changes in cash position, dividends paid on common shares are shown net of $73 million (1993 -- $85 million) reinvested in common shares issued under the dividend reinvestment plan and $29 million (1993 -- $31 million) by way of private placements of common shares to TTC's major shareholders. These private placements discharged, in part, the commitment of TTC's major shareholders to participate in the plan to the extent of at least 50% of the dividends received on the TTC common shares directly and indirectly owned by them. TTC's major shareholders acquired these common shares on the same terms and conditions under which TTC issues common shares to shareholders participating in the plan.

15. PENSION PLANS

TTC maintains pension plans which cover most of its employees. TTC uses the accrued benefit actuarial method and best estimate assumptions to determine pension costs, liabilities and other pension information for defined benefit plans.

AGGREGATE DEFINED BENEFIT PLAN DETAILS:	1994	1993
Pension expense for the year	11	15
Present value of accumulated benefit obligation as at December 31	565	471
Market value of plan assets as at December 31	724	722

Pension expense for the year in respect of defined contribution plans was $32 million (1993 -- $28 million). Other post-employment benefit arrangements vary by business and geographic segment and, where they do exist, the costs of these are expensed as incurred.

16. CONTINGENCIES AND COMMITMENTS

OPERATING LEASES

Operating lease payments in 1994 were $151 million (1993 -- $139 million). The future minimum operating lease payments are $163 million in 1995, $145 million in 1996, $127 million in 1997, $123 million in 1998, $96 million in 1999, and $636 million in 2000 and thereafter.

CAPITAL COMMITMENTS

Capital expenditures contracted for but for which no related liability had been incurred at December 31, 1994 amounted to $287 million ($65 million in 1993), principally in respect of orders for one aircraft to be delivered in 1995 and four to be delivered in 1996. It is management's present intention that the 1995 aircraft will be finance leased and that the aircraft to be delivered in 1996 will be operating leased.

17. ACQUISITIONS AND DISPOSALS OF BUSINESSES

On December 7, 1994, TTC acquired Information Access Company (IAC) for $465 million, satisfied by a combination of cash and notes. The notes, which totalled $426 million, were repaid on March 1, 1995. IAC is a leading provider of reference and database services to public and academic libraries.

On December 20, 1994, TTC acquired The Medstat Group, a provider of healthcare information databases and decision support software, for a cash consideration of $339 million.

On August 8, 1994, TTC acquired Country Holidays (CH) for a cash consideration of $45 million. CH is the UK's largest holiday cottage letting agency.

Other businesses were acquired during the year for an aggregate cash consideration of $55 million (1993 -- $91 million). All acquisitions have been accounted for on the purchase basis and the results of acquired businesses are included in the consolidated financial statements from the dates of acquisition.

Details of net assets acquired are as follows:

	IAC	MEDSTAT	OTHER PUBLISHING	COUNTRY HOLIDAYS	1994 TOTAL	1993 TOTAL
Working capital including cash of $28 million (1993 -- $1 million)	(42)	33	(5)	(10)	(24)	2
Property and equipment	18	7	1	2	28	2
Publishing rights and circulation	374	231	25	--	630	57
Goodwill	117	68	37	54	276	34
Long-term debt and other liabilities	(2)	--	(3)	(1)	(6)	(4)
	465	339	55	45	904	91

Allocations related to certain acquisitions may be subject to adjustment pending final valuation.

Certain businesses, principally the 50% interest in Thomson Directories, were sold in 1994 for a total cash consideration of $62 million (1993 -- $71 million).

18. FINANCIAL INSTRUMENTS

TTC enters into hedging arrangements through the forward currency exchange and swap markets to reduce its exposure to currency and interest rate fluctuations. While the hedging instruments are subject to the risk of loss from changes in interest and exchange rates, these losses would generally be offset by gains on the exposures being hedged.

During 1994, TTC entered into various forward exchange contracts to hedge substantially all of its investments in non-US dollar net assets. Gains and losses on contracts that hedge net investments in foreign subsidiaries are recognized in the cumulative translation adjustment account in shareholders' equity.

19. RELATED PARTY TRANSACTION

In June 1993, TTC acquired certain land development assets in the US from an affiliate of The Woodbridge Company Limited which had previously acquired such assets from Markborough Properties. Through Woodbridge and its affiliates, the Thomson family owns approximately 72% of the common shares of TTC and approximately 64% of the common shares of Markborough. The transaction was reviewed by a committee of independent directors of TTC and determined to be fair and reasonable to its minority shareholders.

The purchase price was $30 million and additional amounts may be payable in 1998. The additional amounts payable shall be a portion of the cash generated to June 1998 from the properties acquired, plus the independently determined values of properties unsold at that date. At December 31, 1994, based on cash generated to that date, an additional purchase price payable of $71 million (1993 -- $25 million) has been recorded. The extent to which TTC will benefit from tax losses relating to such properties will depend on the total amount generated by the properties acquired.

20. SEGMENTED INFORMATION

See pages 52 and 53.

21. COMPARATIVE FIGURES

The comparative figures have been reclassified where necessary to conform with the current year's presentation.

AGREEMENT AND PLAN OF MERGER

Among

THOMSON U.S. HOLDINGS INC.,

SCS SUBSIDIARY, INC.

and

SCS/COMPUTE, INC.

Dated as of December 19, 1995

Glossary of Defined Terms

Defined Term	Location of Definition
affiliate	Section 9.03(a)
Agreement	Preamble
beneficial owner	Section 9.03(b)
Blue Sky Laws	Section 3.05(b)
Board	Recitals
business day	Section 9.03(c)
Certificate of Merger	Section 2.02
Certificates	Section 2.09(b)
Code	Section 3.10(a)
Company	Preamble
Competing Proposal	Section 8.03(a)
Confidentiality Agreement	Section 6.04(b)
control	Section 9.03(d)
Delaware Law	Recitals
Disclosure Schedule	Section 3.03
Dissenting Shares	Section 2.08(a)
Effective Time	Section 2.02
Environmental Claims	Section 3.16(a)
Environmental Law	Section 3.16(a)
Environmental Permit	Section 3.16(a)
ERISA	Section 3.10(a)
Exchange Act	Section 1.02(b)
Expenses	Section 8.03(a)
Fee	Section 8.03(a)
Governmental Authority	Section 3.16(a)
Hazardous Materials	Section 3.16(a)
HSR Act	Section 3.05(b)
Indemnified Parties	Section 6.07(b)
Intellectual Property	Section 3.14(a)
IRS	Section 3.10(a)
leased property	Section 3.16(a)
Licensed Intellectual Property	Section 3.14(a)
Liens	Section 3.13(b)
Material Adverse Effect	Section 3.01
Material Contract	Section 3.17
Merger	Recitals
Merger Consideration	Section 2.06(a)
Minimum Condition	Section 1.01(a)
Multiemployer Plan	Section 3.10(b)
Multiple Employer Plan	Section 3.10(b)
1994 Balance Sheet	Section 3.07(c)
Offer	Recitals
Offer Documents	Section 1.01(b)
Offer to Purchase	Section 1.01(b)
Option	Section 2.07
Owned Intellectual Property	Section 3.14(a)
Parent	Preamble
Paying Agent	Section 2.09(a)
Permitted Liens	Section 3.13(b)
Per Share Amount	Recitals
person	Section 9.03(e)
Plans	Section 3.10(a)
Proxy Statement	Section 3.12
Purchaser	Preamble

Schedule 14D-9	Section 1.02(b)
Schedule 14D-1	Section 1.01(b)
SEC	Section 1.01(b)
SEC Reports	Section 3.07(a)
Securities Act	Section 3.07(a)
Shares	Recitals
Stockholders' Meeting	Section 6.01(a)
subsidiary	Section 9.03(f)
Surviving Corporation	Section 2.01
Transactions	Section 3.04
WARN	Section 3.10(f)

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AGREEMENT AND PLAN OF MERGER, dated as of December 19, 1995 (this "Agreement", which term shall include all Annexes and Exhibits hereto), among THOMSON U.S. HOLDINGS INC., a Delaware corporation ("Parent"), SCS SUBSIDIARY, INC., a Delaware corporation and a wholly owned subsidiary of Parent ("Purchaser"), and SCS/COMPUTE, INC., a Delaware corporation (the "Company").

WHEREAS, the respective Boards of Directors of Parent, Purchaser and the Company have approved the acquisition of the Company by Parent on the terms and subject to the conditions set forth in this Agreement;

WHEREAS, in furtherance of such acquisition, it is proposed that Purchaser shall make a cash tender offer (the "Offer") to acquire all of the issued and outstanding shares (other than shares subject to the Stock Purchase Agreement referred to below) of common stock, par value $.10 per share, of the Company (the "Shares"), at a price of $ 6.75 per Share (such amount, or any greater amount per Share pursuant to the Offer, being hereinafter referred to as the "Per Share Amount") net to the seller in cash, upon the terms and subject to the conditions of this Agreement and the Offer;

WHEREAS, the Board of Directors of the Company (the "Board") has approved the making of the Offer and resolved and agreed to recommend that holders of Shares tender their Shares pursuant to the Offer;

WHEREAS, also in furtherance of such acquisition, the Boards of Directors of Parent, Purchaser and the Company have each approved the merger (the "Merger") of Purchaser with and into the Company in accordance with the General Corporation Law of the State of Delaware ("Delaware Law") following the consummation of the Offer and upon the terms and subject to the conditions set forth herein; and

WHEREAS, Parent, Purchaser and Robert W. Nolan, Sr. have entered into a Stock Purchase Agreement, dated as of the date hereof (the "Stock Purchase Agreement"), pursuant to which Mr. Nolan has agreed to sell 1,082,570 Shares to Purchaser for a purchase price per Share equal to the Per Share Amount;

NOW, THEREFORE, in consideration of the foregoing and the mutual representations, warranties, covenants and agreements herein contained, and intending to be legally bound hereby, Parent, Purchaser and the Company hereby agree as follows:

ARTICLE I

THE OFFER

SECTION 1.01. The Offer. (a) Provided that this Agreement shall not have been terminated in accordance with Section 8.01 and none of the events set forth in Annex A hereto shall have occurred or be existing, Purchaser shall commence the Offer as promptly as reasonably practicable after the date hereof, but in no event later than five business days after the initial public announcement of Purchaser's intention to commence the Offer. The obligation of Purchaser to accept for payment and pay for Shares tendered pursuant to the Offer shall be subject to the condition (the "Minimum Condition") that at least the number of Shares that when added to the Shares already owned by Parent and the number of Shares to be purchased by Purchaser pursuant to the Stock Purchase Agreement shall constitute more than 50% of the then outstanding Shares on a fully diluted basis (including, without limitation, all Shares issuable upon the conversion of any convertible securities or upon the exercise of any options, warrants or rights) shall have been validly tendered and not withdrawn prior to the expiration of the Offer and also shall be subject to the satisfaction of the other conditions set forth in Annex A hereto. Purchaser expressly reserves the right to waive any such condition, to increase the Per Share Amount, and to make any other changes in the terms and conditions of the Offer; provided, however, that no change may be made

without the consent of the Company which decreases the Per Share Amount or which reduces the maximum number of Shares to be purchased in the Offer or which imposes conditions to the Offer in addition to those set forth in Annex A hereto. The Per Share Amount shall, subject to applicable withholding of taxes, be net to the seller in cash, upon the terms and subject to the conditions of the Offer. Subject to the terms and conditions of the Offer, Purchaser shall pay, as promptly as practicable after expiration of the Offer, for all Shares validly tendered and not withdrawn.

(b) As soon as reasonably practicable on the date of commencement of the Offer, Purchaser shall file with the Securities and Exchange Commission (the "SEC") a Tender Offer Statement on Schedule 14D-1 (together with all amendments and supplements thereto, the "Schedule 14D-1") with respect to the Offer. The Schedule 14D-1 shall contain or shall incorporate by reference an offer to purchase (the "Offer to Purchase") and forms of the related letter of transmittal and any related summary advertisement (the Schedule 14D-1, the Offer to Purchase and such other documents, together with all supplements and amendments thereto, being referred to herein collectively as the "Offer Documents"). Parent, Purchaser and the Company agree to correct promptly any information provided by any of them for use in the Offer Documents which shall have become false or misleading, and Parent and Purchaser further agree to take all steps necessary to cause the Schedule 14D-1 as so corrected to be filed with the SEC and the other Offer Documents as so corrected to be disseminated to holders of Shares, in each case as and to the extent required by applicable federal securities laws. In the event that the Offer is terminated or withdrawn by Purchaser, Parent and Purchaser shall cause all tendered Shares to be returned pursuant to the instructions set forth in the letter of transmittal.

SECTION 1.02. Company Action. (a) The Company hereby approves of and consents to the Offer and represents that (i) the Board, at a meeting duly called and held on December 14, 1995, has unanimously (except for abstentions of interested directors) (A) determined that this Agreement and the transactions contemplated hereby, including each of the Offer and the Merger, are fair to and in the best interests of the holders of Shares, (B) approved and adopted this Agreement and the transactions contemplated hereby and (C) resolved to recommend that the stockholders of the Company accept the Offer and approve and adopt this Agreement and the transactions contemplated hereby, and (ii) Fister & Associates have delivered to the Board a written opinion that the consideration to be received by the holders of Shares pursuant to each of the Offer and the Merger is fair to the holders of Shares from a financial point of view. Subject only to the fiduciary duties of the Board under applicable law as advised in writing by independent counsel, the Company hereby consents to the inclusion in the Offer Documents of the recommendation of the Board described in the immediately preceding sentence. The Company has been advised by each of its directors and executive officers (other than Robert W. Nolan, Sr. with respect to the Shares to be sold pursuant to the Stock Purchase Agreement) that they intend either to tender all Shares beneficially owned by them to Purchaser pursuant to the Offer or to vote such Shares in favor of the approval and adoption by the stockholders of the Company of this Agreement and the transactions contemplated hereby.

(b) As soon as reasonably practicable on the date of commencement of the Offer, the Company shall file with the SEC a Solicitation/Recommendation Statement on Schedule 14D-9 (together with all amendments and supplements thereto, the "Schedule 14D-9") containing the recommendation of the Board described in Section 1.02(a) and shall disseminate the Schedule 14D-9 to the extent required by Rule 14d-9 promulgated under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and any other applicable federal securities laws. The Company, Parent and Purchaser agree to correct promptly any information provided by any of them for use in the Schedule 14D-9 which shall have become false or misleading, and the Company further agrees to take all steps necessary to cause the Schedule 14D-9 as so corrected to be filed with the SEC and disseminated to holders of Shares, in each case as and to the extent required by applicable federal securities laws. Purchaser and its counsel shall be given an opportunity to review and comment on the Schedule 14D-9 and any amendments thereto prior to the filing thereof with the SEC. The Company shall provide Purchaser and its counsel with a copy of any written comments or telephonic notification of any verbal comments the Company may receive from the SEC or

its staff with respect to the Schedule 14D-9 promptly after the receipt thereof and shall provide Purchaser and its counsel with a copy of any written responses and telephonic notification of any verbal responses of the Company or its counsel.

(c) The Company shall promptly furnish Purchaser with mailing labels containing the names and addresses of all record holders of Shares and with security position listings of Shares held in stock depositories, each as of a recent date, together with all other available listings and computer files containing names, addresses and security position listings of record holders and beneficial owners of Shares. The Company shall furnish Purchaser with such additional information, including, without limitation, updated listings and computer files of stockholders, mailing labels and security position listings, and such other assistance as Parent, Purchaser or their agents may reasonably request. Subject to the requirements of applicable law, and except for such steps as are necessary to disseminate the Offer Documents and any other documents necessary to consummate the Offer or the Merger, Parent and Purchaser shall hold in confidence the information contained in such labels, listings and files, shall use such information only in connection with the Offer and the Merger, and, if this Agreement shall be terminated in accordance with Section 8.01, shall deliver to the Company all copies of such information then in their possession.

ARTICLE II

THE MERGER

SECTION 2.01. The Merger. Upon the terms and subject to the conditions set forth in Article VII, and in accordance with Delaware Law, at the Effective Time (as hereinafter defined) Purchaser shall be merged with and into the Company. As a result of the Merger, the separate corporate existence of Purchaser shall cease and the Company shall continue as the surviving corporation of the Merger (the "Surviving Corporation"). Notwithstanding anything to the contrary contained in this Section 2.01, Parent may elect instead, at any time prior to the fifth business day immediately preceding the date on which the Proxy Statement (as hereinafter defined) is mailed initially to the Company's stockholders, to merge the Company into Purchaser or another direct or indirect wholly owned subsidiary of Parent. In such event, the parties agree to execute an appropriate amendment to this Agreement in order to reflect the foregoing and to provide, as the case may be, that Purchaser or such other wholly owned subsidiary of Parent shall be the Surviving Corporation.

SECTION 2.02. Effective Time; Closing. As promptly as practicable after the satisfaction or, if permissible, waiver of the conditions set forth in Article VII, the parties hereto shall cause the Merger to be consummated by filing this Agreement or a certificate of merger or certificate of ownership and merger (in either case, the "Certificate of Merger") with the Secretary of State of the State of Delaware, in such form as is required by, and executed in accordance with the relevant provisions of, Delaware Law (the date and time of such filing being the "Effective Time"). Prior to such filing, a closing shall be held at the offices of Shearman & Sterling, 599 Lexington Avenue, New York, New York 10022, or such other place as the parties shall agree, for the purpose of confirming the satisfaction or waiver, as the case may be, of the conditions set forth in Article VII.

SECTION 2.03. Effect of the Merger. At the Effective Time, the effect of the Merger shall be as provided in the applicable provisions of Delaware Law. Without limiting the generality of the foregoing, and subject thereto, at the Effective Time all the property, rights, privileges, powers and franchises of the Company and Purchaser shall vest in the Surviving Corporation, and all debts, liabilities, obligations, restrictions, disabilities and duties of the Company and Purchaser shall become the debts, liabilities, obligations, restrictions, disabilities and duties of the Surviving Corporation.

SECTION 2.04. Certificate of Incorporation; By-laws. (a) Unless otherwise determined by Parent prior to the Effective Time, at the Effective Time the Certificate of Incorporation of Purchaser, as in effect immediately prior to the Effective Time, shall be the

Certificate of Incorporation of the Surviving Corporation until thereafter amended as provided by law and such Certificate of Incorporation; provided, however, that, at the Effective Time, Article I of the Certificate of Incorporation of the Surviving Corporation shall be amended to read as follows: "The name of the corporation is SCS/Compute, Inc."

(b) Unless otherwise determined by Parent prior to the Effective Time, the By-laws of Purchaser, as in effect immediately prior to the Effective Time, shall be the By-laws of the Surviving Corporation until thereafter amended as provided by law, the Certificate of Incorporation of the Surviving Corporation and such By-laws.

SECTION 2.05. Directors and Officers. The directors of Purchaser immediately prior to the Effective Time shall be the initial directors of the Surviving Corporation, each to hold office in accordance with the Certificate of Incorporation and By-laws of the Surviving Corporation, and the officers of the Company immediately prior to the Effective Time shall be the initial officers of the Surviving Corporation, in each case until their respective successors are duly elected or appointed and qualified.

SECTION 2.06. Conversion of Securities. At the Effective Time, by virtue of the Merger and without any action on the part of Purchaser, the Company or the holders of any of the following securities:

(a) Each of the Shares issued and outstanding immediately prior to the Effective Time (other than any Shares to be cancelled pursuant to Section 2.06(b) and any Dissenting Shares) (as hereinafter defined) shall be cancelled and shall be converted automatically into the right to receive an amount equal to the Per Share Amount, in cash (the "Merger Consideration") payable, without interest, to the holder of such Share, upon surrender, in the manner provided in Section 2.08, of the certificate that formerly evidenced such Share;

(b) Each Share held in the treasury of the Company and each Share owned by Purchaser, Parent or any direct or indirect wholly owned subsidiary of Parent or of the Company immediately prior to the Effective Time shall be cancelled without any conversion thereof and no payment or distribution shall be made with respect thereto; and

(c) Each share of Common Stock, par value $.10 per share, of Purchaser issued and outstanding immediately prior to the Effective Time shall be converted into and exchanged for one validly issued, fully paid and nonassessable share of Common Stock, par value $.10 per share, of the Surviving Corporation.

SECTION 2.07. Stock Options. Immediately prior to the Effective Time, each outstanding option to purchase Shares (each, an "Option"), whether or not then exercisable, shall be cancelled by the Company, and each holder of a cancelled Option shall be entitled to receive from Purchaser at the same time as payment for Shares is made by Purchaser in connection with the Merger, in consideration for the cancellation of such Option, an amount in cash equal to the product of (i) the number of Shares previously subject to such Option and (ii) the excess, if any, of the Per Share Amount over the exercise price per Share previously subject to such Option.

SECTION 2.08. Dissenting Shares. (a) Notwithstanding any provision of this Agreement to the contrary, Shares that are outstanding immediately prior to the Effective Time and which are held by stockholders who shall not have voted in favor of the Merger or consented thereto in writing and who shall have demanded properly in writing appraisal for such Shares in accordance with Section 262 of Delaware Law (collectively, the "Dissenting Shares") shall not be converted into or represent the right to receive the Merger Consideration. Such stockholders shall be entitled to receive payment of the appraised value of such Shares held by them in accordance with the provisions of such Section 262, except that all Dissenting Shares held by stockholders who shall have failed to perfect or who effectively shall have withdrawn or lost their rights to appraisal of such Shares under such Section 262 shall thereupon be deemed to have been converted into and to have become

exchangeable for, as of the Effective Time, the right to receive the Merger Consideration, without any interest thereon, upon surrender, in the manner provided in Section 2.09, of the certificate or certificates that formerly evidenced such Shares.

(b) The Company shall give Parent (i) prompt notice of any demands for appraisal received by the Company, withdrawals of such demands, and any other instruments served pursuant to Delaware Law and received by the Company and (ii) the opportunity to direct all negotiations and proceedings with respect to demands for appraisal under Delaware Law. The Company shall not, except with the prior written consent of Parent, make any payment with respect to any demands for appraisal or offer to settle or settle any such demands.

SECTION 2.09. Surrender of Shares; Stock Transfer Books. (a) Prior to the Effective Time, Purchaser shall designate a bank or trust company to act as agent (the "Paying Agent") for the holders of Shares in connection with the Merger to receive the funds to which holders of Shares shall become entitled pursuant to Section 2.06(a). Such funds shall be invested by the Paying Agent as directed by the Surviving Corporation, provided that such investments shall be in obligations of or guaranteed by the United States of America or of any agency thereof and backed by the full faith and credit of the United States of America, in commercial paper obligations rated A-1 or P-1 or better by Moody's Investors Services, Inc. or Standard & Poor's Corporation, respectively, or in deposit accounts, certificates of deposit or banker's acceptances of, repurchase or reverse repurchase agreements with, or Eurodollar time deposits purchased from, commercial banks with capital, surplus and undivided profits aggregating in excess of $500 million (based on the most recent financial statements of such bank which are then publicly available at the SEC or otherwise); provided, however, that no loss on any investment made pursuant to this Section 2.09 shall relieve the Surviving Corporation of its obligation to pay the Per Share Amount for each Share outstanding immediately prior to the Effective Time (other than Shares cancelled pursuant to Section 2.06(b) and any Dissenting Shares). The Surviving Corporation and Parent shall be responsible for the fees and expenses of or incurred by the Paying Agent.

(b) Promptly after the Effective Time, the Surviving Corporation shall cause to be mailed to each person who was, at the Effective Time, a holder of record of Shares entitled to receive the Merger Consideration pursuant to Section 2.06(a) a form of letter of transmittal (which shall specify that delivery shall be effected, and risk of loss and title to the certificates evidencing such Shares (the "Certificates") shall pass, only upon proper delivery of the Certificates to the Paying Agent) and instructions for use in effecting the surrender of the Certificates pursuant to such letter of transmittal. Upon surrender to the Paying Agent of a Certificate, together with such letter of transmittal, duly completed and validly executed in accordance with the instructions thereto, and such other documents as may be required pursuant to such instructions, the holder of such Certificate shall be entitled to receive in exchange therefor the Merger Consideration for each Share formerly evidenced by such Certificate, and such Certificate shall then be cancelled. No interest shall accrue or be paid on the Merger Consideration payable upon the surrender of any Certificate for the benefit of the holder of such Certificate. If payment of the Merger Consideration is to be made to a person other than the person in whose name the surrendered Certificate is registered on the stock transfer books of the Company, it shall be a condition of payment that the Certificate so surrendered shall be endorsed properly or otherwise be in proper form for transfer and that the person requesting such payment shall have paid all transfer and other taxes required by reason of the payment of the Merger Consideration to a person other than the registered holder of the Certificate surrendered or shall have established to the satisfaction of the Surviving Corporation that such taxes either have been paid or are not applicable.

(c) At any time following the sixth month after the Effective Time, the Surviving Corporation shall be entitled to require the Paying Agent to deliver to it any funds which had been made available to the Paying Agent and not disbursed to holders of Shares (including, without limitation, all interest and other income received by the Paying Agent in respect of all funds made available to it), and thereafter such holders shall be entitled to look

to the Surviving Corporation (subject to abandoned property, escheat and other similar laws) only as general creditors thereof with respect to any Merger Consideration that may be payable upon due surrender of the Certificates held by them. Notwithstanding the foregoing, neither the Surviving Corporation nor the Paying Agent shall be liable to any holder of a Share for any Merger Consideration delivered in respect of such Share to a public official pursuant to any abandoned property, escheat or other similar law.

(d) At the close of business on the day of the Effective Time, the stock transfer books of the Company shall be closed and thereafter there shall be no further registration of transfers of Shares on the records of the Company. From and after the Effective Time, the holders of Shares outstanding immediately prior to the Effective Time shall cease to have any rights with respect to such Shares except as otherwise provided herein or by applicable law.

ARTICLE III

REPRESENTATIONS AND WARRANTIES OF THE COMPANY

The Company hereby represents and warrants to Parent and Purchaser that:

SECTION 3.01. Organization and Qualification. The Company is a corporation duly organized, validly existing and in good standing under the laws of the jurisdiction of its incorporation and has the requisite power and authority and all necessary governmental approvals to own, lease and operate its properties and to carry on its business as it is now being conducted, except where the failure to be so organized, existing or in good standing or to have such power, authority and governmental approvals would not, individually or in the aggregate, have a Material Adverse Effect (as defined below). The Company is duly qualified or licensed as a foreign corporation to do business, and is in good standing, in each jurisdiction where the character of the properties owned, leased or operated by it or the nature of its business makes such qualification or licensing necessary, except for such failures to be so qualified or licensed and in good standing that would not, individually or in the aggregate, have a Material Adverse Effect. "Material Adverse Effect", when used in connection with the Company, means any change or effect that when taken together with all other adverse changes and effects that are within the scope of the representations and warranties made by the Company in this Agreement is or is reasonably likely to be materially adverse to the business, operations, properties, condition (financial or otherwise), assets or liabilities (including, without limitation, contingent liabilities) or prospects of the Company. The Company does not directly or indirectly own any equity or similar interest in, or any interest convertible into or exchangeable or exercisable for, any equity or similar interest in, any corporation, partnership, joint venture or other business association or entity.

SECTION 3.02. Certificate of Incorporation and By-laws. The Company has heretofore furnished to Parent a complete and correct copy of the Certificate of Incorporation and the By-laws or equivalent organizational documents, each as amended to date, of the Company. Such Certificate of Incorporation and By-laws are in full force and effect. The Company is not in violation of any provision of its Certificate of Incorporation or By-laws.

SECTION 3.03. Capitalization. The authorized capital stock of the Company consists of 15,000,000 Shares and 2,000,000 shares of Series A Preferred Stock. As of the date hereof, (i) 2,571,977 Shares are issued and outstanding, all of which are validly issued, fully paid and nonassessable, (ii) 514,300 Shares are held in the treasury of the Company and (iii) 300,000 Shares are reserved for future issuance pursuant to Options. Except as set forth in this Section 3.03, and except as set forth in Section 3.03 of the Disclosure Schedule previously delivered by the Company to Parent (the "Disclosure Schedule"), which sets forth the holder of each Option, the date of grant and the applicable exercise price, there are no options, warrants or other rights (including those commonly referred to as "shareholder rights" or "poison pill" rights), agreements, arrangements or commitments of any character relating to the issued or unissued capital stock of the Company or obligating the Company to issue or sell any shares of capital stock of, or other equity interests in, the Company. As of

the date hereof, 100,000 shares of Series A Preferred Stock are issued and outstanding. All Shares subject to issuance as aforesaid, upon issuance on the terms and conditions specified in the instruments pursuant to which they are issuable, will be duly authorized, validly issued, fully paid and nonassessable.

SECTION 3.04. Authority Relative to this Agreement. The Company has all necessary corporate power and authority to execute and deliver this Agreement, to perform its obligations hereunder and to consummate the transactions contemplated hereby (the "Transactions"). The execution and delivery of this Agreement by the Company and the consummation by the Company of the Transactions have been duly and validly authorized by all necessary corporate action on the part of the Company and no other corporate proceedings on the part of the Company are necessary to authorize this Agreement or to consummate the Transactions (other than, with respect to the Merger, the approval and adoption of this Agreement by the holders of a majority of the then outstanding Shares if and to the extent required by applicable law, and the filing and recordation of appropriate merger documents as required by Delaware Law). This Agreement has been duly and validly executed and delivered by the Company and, assuming the due authorization, execution and delivery by Parent and Purchaser, constitutes a legal, valid and binding obligation of the Company enforceable against the Company in accordance with its terms, except as enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or other laws affecting creditors' rights generally (including, without limitation, the effect of statutory and other law regarding fraudulent conveyances, fraudulent transfers and preferential transfers) and as may be limited by the exercise of judicial discretion and the application of principles of equity including, without limitation, requirements of good faith, fair dealing, conscionability and materiality (regardless of whether considered in a proceeding in equity or at law). The Company has taken all appropriate actions so that the restrictions on business combinations contained in Section 203 of Delaware Law will not apply with respect to or as a result of the Transactions or the Stock Purchase Agreement or the transactions contemplated thereby.

SECTION 3.05. No Conflict; Required Filings and Consents. (a) The execution and delivery of this Agreement by the Company do not, and the performance of this Agreement by the Company will not, (i) conflict with or violate the Certificate of Incorporation or By-laws of the Company, (ii) conflict with or violate any law, rule, regulation, order, judgment or decree applicable to the Company or by which any property or asset of the Company is bound or affected or (iii) except as set forth in Section 3.05(a) of the Disclosure Schedule, result in any breach of or constitute a default (or an event which with notice or lapse of time or both would become a default) under, or give to others any right of termination, amendment, acceleration or cancellation of, or result in the creation of a lien or other encumbrance on any property or asset of the Company pursuant to, any Material Contract, note, bond, mortgage, indenture, contract, agreement, lease, license, permit or franchise or other instrument or obligation to which the Company is a party or by which the Company or any property or asset of the Company is bound or affected.

(b) The execution and delivery of this Agreement by the Company do not, and the performance of this Agreement by the Company will not, require any consent, approval, authorization or permit of, or filing with or notification to, any governmental or regulatory authority, domestic or foreign, except (i) for applicable requirements, if any, of the Exchange Act, state securities or "blue sky" laws ("Blue Sky Laws") and state takeover laws, the pre-merger notification requirements of the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, and the rules and regulations thereunder (the "HSR Act") and filing and recordation of appropriate merger documents as required by Delaware Law and (ii) where failure to obtain such consents, approvals, authorizations or permits, or to make such filings or notifications, would not prevent or delay consummation of the Offer or the Merger, or otherwise prevent the Company from performing its obligations under this Agreement, and would not, individually or in the aggregate, have a Material Adverse Effect.

SECTION 3.06. Compliance. The Company is not in conflict with, or in default or violation of, (i) any law, rule, regulation, order, judgment or decree applicable to the Company or by which any property or asset of the Company is bound or affected, or (ii) any note, bond, mortgage, indenture, contract, agreement, lease, license, permit,

franchise or other instrument or obligation to which the Company is a party or by which the Company or any property or asset of the Company is bound or affected, except for any such conflicts, defaults or violations that would not, individually or in the aggregate, have a Material Adverse Effect.

SECTION 3.07. SEC Filings; Financial Statements. (a) The Company has filed all forms, reports and documents required to be filed by it with the SEC since January 31, 1993, and has heretofore made available to Parent, in the form filed with the SEC, (i) its Annual Reports on Form 10-K for the fiscal years ended January 31, 1993, 1994 and 1995, respectively, (ii) its Quarterly Reports on Form 10-Q for the periods ended April 30, 1995, July 31, 1995 and October 31, 1995 and (iii) all proxy statements relating to the Company's meetings of stockholders (whether annual or special) held since January 31, 1993, and (iv) all other forms, reports and other registration statements (other than Quarterly Reports on Form 10-Q not referred to in clause (ii) above) filed by the Company with the SEC since January 31, 1993 (the forms, reports and other documents referred to in clauses (i), (ii), (iii) and (iv) above being referred to herein, collectively, as the "SEC Reports"). The SEC Reports (i) were prepared in accordance with the requirements of the Securities Act of 1933, as amended (the "Securities Act"), and the Exchange Act, as the case may be, and the rules and regulations thereunder and (ii) did not at the time they were filed (or at the effective date thereof in the case of registration statements) contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading.

(b) Each of the financial statements (including, in each case, any notes thereto) contained in the SEC Reports was prepared in accordance with generally accepted accounting principles applied on a consistent basis throughout the periods indicated (except as may be indicated in the notes thereto) and each fairly presented the financial position, results of operations and changes in financial position of the Company as at the respective dates thereof and for the respective periods indicated therein (subject, in the case of unaudited statements, to normal and recurring year-end adjustments which were not and are not expected, individually or in the aggregate, to have a Material Adverse Effect).

(c) Except as and to the extent set forth on the balance sheet of the Company as at January 31, 1995, including the notes thereto (the "1994 Balance Sheet") or disclosed in any SEC Report filed by the Company after January 31, 1995, the Company has no liability or obligation of any nature (whether accrued, absolute, contingent or otherwise) which would be required to be reflected on a balance sheet, or in the notes thereto, prepared in accordance with generally accepted accounting principles, except for liabilities and obligations incurred in the ordinary course of business consistent with past practice since January 31, 1995 which would not, individually or in the aggregate, have a Material Adverse Effect.

(d) The Company has heretofore furnished to Parent complete and correct copies of all amendments and modifications (if any) listed in Section 3.07(d) of the Disclosure Schedule that have not been filed by the Company with the SEC to all agreements, documents and other instruments that previously had been filed by the Company with the SEC and are currently in effect.

SECTION 3.08. Absence of Certain Changes or Events. Since January 31, 1995, except as contemplated by this Agreement or disclosed in any SEC Report filed since January 31, 1995 and prior to the date of this Agreement, the Company has conducted its business only in the ordinary course and in a manner consistent with past practice and, since January 31, 1995, there has not been (i) any change in the business, operations, properties, condition (financial or otherwise), assets or liabilities (including, without limitation, contingent liabilities) or prospects of the Company having, individually or in the aggregate, a Material Adverse Effect, (ii) any damage, destruction or loss (whether or not covered by insurance) with respect to any property or asset of the Company and having, individually or in the aggregate, a Material Adverse Effect, (iii) any change by the Company in its accounting methods, principles or practices, (iv) any revaluation by the Company of any

asset (including, without limitation, any writing down of the value of inventory or writing off of notes or accounts receivable), other than in the ordinary course of business consistent with past practice, (v) any entry by the Company into any commitment or transaction material to the Company, (vi) except as set forth in Section 3.08 of the Disclosure Schedule, any declaration, setting aside or payment of any dividend or distribution in respect of any capital stock of the Company or any redemption, purchase or other acquisition of any of its securities, (vii) prior to the date of this Agreement, no breach of any of the contracts referred to in Section 3.17, and, to the best knowledge of the Company, no threat of any such breach, or (viii) except as set forth in Section 3.08 of the Disclosure Schedule, any increase in or establishment of any bonus, insurance, severance, deferred compensation, pension, retirement, profit sharing, stock option (including, without limitation, the granting of stock options, stock appreciation rights, performance awards, or restricted stock awards), stock purchase or other employee benefit plan, or any other increase in the compensation payable or to become payable to any officers or key employees of the Company, except in the ordinary course of business consistent with past practice.

SECTION 3.09. Absence of Litigation. Except as disclosed in the SEC Reports filed prior to the date of this Agreement, there is no claim, action, proceeding or investigation pending or, to the best knowledge of the Company, threatened against the Company or any property or asset of the Company before any court, arbitrator or administrative, governmental or regulatory authority or body, domestic or foreign. As of the date hereof, neither the Company nor any property or asset of the Company is subject to any order, writ, judgment, injunction, decree, determination or award having, or that could reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect.

SECTION 3.10. Employee Benefit Plans. (a) Section 3.10 of the Disclosure Schedule contains a true and complete list of (i) all employee benefit plans (within the meaning of Section 3(3) of the Employee Retirement Income Security Act of 1974, as amended ("ERISA")) and all bonus, stock option, stock purchase, restricted stock, incentive, deferred compensation, retiree medical or life insurance, supplemental retirement, severance or other benefit plans, programs or arrangements, and all employment, termination, severance or other contracts or agreements to which the Company is a party, with respect to which the Company has any obligation or which are maintained, contributed to or sponsored by the Company for the benefit of any current or former employee, officer or director of the Company and (ii) each employee benefit plan for which the Company could incur liability under Section 4069 of ERISA, in the event such plan were terminated, or under Section 4212(c) of ERISA, or in respect of which the Company remains secondarily liable under Section 4204 of ERISA (collectively, the "Plans"). Each Plan is in writing and the Company has previously furnished to Parent a true and complete copy of each Plan and a true and complete copy of each material document prepared in connection with each such Plan, including, without limitation, (i) a copy of each trust or other funding arrangement, (ii) each summary plan description and summary of material modifications, (iii) the most recently filed Internal Revenue Service ("IRS") Form 5500, (iv) the most recently received IRS determination letter for each such Plan and (v) the most recently prepared actuarial report and financial statement in connection with each such Plan. The Company has no express or implied commitment (i) to create, incur liability with respect to or cause to exist any other employee benefit plan, program or arrangement, (ii) to enter into any contract or agreement to provide compensation or benefits to any individual or (iii) to modify, change or terminate any Plan, other than with respect to a modification, change or termination required by ERISA or the Internal Revenue Code of 1986, as amended (the "Code").

(b) Other than as specifically disclosed in Section 3.10 of the Disclosure Schedule, none of the Plans is a multiemployer plan, within the meaning of Section 3(37) or 4001(a)(3) of ERISA (a "Multiemployer Plan"), or a single employer pension plan, within the meaning of Section 4001(a)(15) of ERISA, for which the Company or any Subsidiary could incur liability under Section 4063 or 4064 of ERISA (a "Multiple Employer Plan"). None of the Plans (i) provides for the payment of separation, severance, termination or similar-type benefits to any person, (ii) obligates the Company or any Subsidiary to pay separation, severance, termination or other benefits as a result of any Transaction or (iii) obligates the Company or any Subsidiary to make any payment or provide any benefit

that could be subject to a tax under Section 4999 of the Code. None of the Plans provides for or promises retiree medical, disability or life insurance benefits to any current or former employee, officer or director of the Company. With respect to each Multiemployer Plan and Multiple Employer Plan, Section 3.10(b) of the Disclosure Schedule sets forth an accurate statement of the total amount of withdrawal liability that the Company would incur in the event of a complete withdrawal, within the meaning of Title IV of ERISA, from each such Plan.

(c) Each Plan which is intended to be qualified under Section 401(a) of the Code has received a favorable determination letter from the IRS that such Plan is so qualified, and each trust established in connection with any Plan which is intended to be exempt from federal income taxation under Section 501(a) of the Code has received a determination letter from the IRS that such trust is so exempt. No fact or event has occurred since the date of any such determination letter from the IRS that could adversely affect the qualified status of any such Plan or the exempt status of any such trust. Each trust maintained or contributed to by the Company or any Subsidiary which is intended to be qualified as a voluntary employees' beneficiary association exempt from federal income taxation under Sections 501(a) and 501(c)(9) of the Code has received a favorable determination letter from the IRS that it is so qualified and so exempt, and no fact or event has occurred since the date of such determination by the IRS that could adversely affect such qualified or exempt status.

(d) There has been no prohibited transaction (within the meaning of Section 406 of ERISA or Section 4975 of the Code) with respect to any Plan not exempt pursuant to Section 408 of ERISA or Section 4975 of the Code. Neither the company nor any Subsidiary is currently liable or has previously incurred any liability for any tax or penalty arising under Section 4971, 4972, 4979, 4980 or 4980B of the Code or Section 502(c) of ERISA, and no fact or event exists which could give rise to any such liability. Neither the Company nor any Subsidiary has incurred any liability under, arising out of or by operation of Title IV of ERISA (other than liability for premiums to the Pension Benefit Guaranty Corporation arising in the ordinary course), including, without limitation, any liability in connection with (i) the termination or reorganization of any employee pension benefit plan subject to Title IV of ERISA or (ii) the withdrawal from any Multiemployer Plan or Multiple Employer Plan, and no fact or event exists which could give rise to any such liability. No complete or partial termination has occurred within the five years preceding the date hereof with respect to any Plan. No reportable event (within the meaning of Section 4043 of ERISA) has occurred or is expected to occur with respect to any Plan subject to Title IV of ERISA. No asset of the Company is the subject of any lien arising under Section 302(f) of ERISA or Section 412(n) of the Code; the Company has not been required to post any security under Section 307 of ERISA or Section 401(a)(29) of the Code; and no fact or event exists which could give rise to any such lien or requirement to post any such security.

(e) Each Plan is now and has been operated in all material respects in accordance with the requirements of all applicable laws, including, without limitation, ERISA and the Code, and the Company has performed all obligations required to be performed by it under, is not in any respect in default under or in violation of, and has no knowledge of any default or violation by any party to, any Plan. No Plan has incurred an "accumulated funding deficiency" (within the meaning of Section 302 of ERISA or Section 412 of the Code), whether or not waived. All contributions, premiums or payments required to be made with respect to any Plan are fully deductible for income tax purposes and no such deduction previously claimed has been challenged by any government entity. The 1994 Balance Sheet reflects an accrual of all amounts of employer contributions and premiums accrued but unpaid with respect to the Plans. With respect to each Plan subject to Title IV of ERISA, the accumulated benefit obligations of such Plan (determined as of the date of the most recent actuarial valuation prepared for such Plan) does not exceed the fair market value of the assets of such Plan (determined as of the date of such valuation) attributable to such obligations.

(f) The Company has not incurred any liability under, and has complied in

all respects with, the Worker Adjustment Retraining Notification Act and the regulations promulgated thereunder ("WARN") and does not reasonably expect to incur any such liability as a result of actions taken or not taken prior to the Effective Time. Section 3.10(f) of the Disclosure Schedule lists (i) all the employees terminated or laid off by the Company during the 90 days prior to the date hereof and (ii) all the employees of the Company who have experienced a reduction in hours of work of more than 50% during any month during the 90 days prior to the date hereof and describes all notices given by the Company in connection with WARN. The Company will, by written notice to Parent and Purchaser, update Section 3.10(f) of the Disclosure Schedule to include any such terminations, layoffs and reductions in hours from the date hereof through the Effective Time and will provide Parent and Purchaser with any related information which they may reasonably request.

SECTION 3.11. Labor Matters. (i) There are no controversies pending or, to the best knowledge of the Company, threatened between the Company and any of its employees, which controversies have or could have a Material Adverse Effect; (ii) the Company is not a party to any collective bargaining agreement or other labor union contract applicable to persons employed by the Company, nor, to the best knowledge of the Company, are there any activities or proceedings of any labor union to organize any such employees; (iii) there are no unfair labor practice complaints pending against the Company before the National Labor Relations Board or any current union representation questions involving employees of the Company; and (iv) there is no strike, slowdown, work stoppage or lockout existing, or, to the best knowledge of the Company, threatened, by or with respect to any employees of the Company.

SECTION 3.12. Offer Documents; Schedule 14D-9; Proxy Statement. Neither the Schedule 14D-9 nor any information supplied by the Company for inclusion in the Offer Documents shall, at the respective times the Schedule 14D-9, the Offer Documents or any amendments or supplements thereto are filed with the SEC or are first published, sent or given to stockholders of the Company, as the case may be, contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary in order to make the statements made therein, in the light of the circumstances under which they are made, not misleading. Neither the proxy statement to be sent to the stockholders of the Company in connection with the Stockholders' Meeting or the information statement to be sent to such stockholders, as appropriate (such proxy statement or information statement, as amended or supplemented, being referred to herein as the "Proxy Statement"), shall, at the date the Proxy Statement (or any amendment or supplement thereto) is first mailed to stockholders of the Company, at the time of the Stockholders' Meeting (as hereinafter defined) and at the Effective Time, be false or misleading with respect to any material fact, or omit to state any material fact required to be stated therein or necessary in order to make the statements made therein, in the light of the circumstances under which they are made, not misleading or necessary to correct any statement in any earlier communication with respect to the solicitation of proxies for the Stockholders' Meeting which shall have become false or misleading. The Schedule 14D-9 and the Proxy Statement shall comply in all material respects as to form with the requirements of the Exchange Act and the rules and regulations thereunder.

SECTION 3.13. Real Property and Leases. (a) The Company has sufficient title to all its properties and assets to conduct its business as currently conducted or as contemplated to be conducted.

(b) Each parcel of real property owned or leased by the Company (i) except as set forth in Section 3.13 of the Disclosure Schedule, is owned or leased free and clear of all mortgages, pledges, liens, security interests, conditional and installment sale agreements, encumbrances, charges or other claims of third parties of any kind (collectively, "Liens"), other than (A) Liens for current taxes and assessments not yet past due, (B) inchoate mechanics' and materialmen's Liens for construction in progress, (C) workmen's, repairmen's, warehousemen's and carriers' Liens arising in the ordinary course of business of the Company consistent with past practice, and (D) all matters of record, Liens and other imperfections of title and encumbrances which, individually or in the aggregate, would not have a Material Adverse Effect (collectively, "Permitted Liens"), and

(ii) is neither subject to any governmental decree or order to be sold nor is being condemned, expropriated or otherwise taken by any public authority with or without payment of compensation therefor, nor, to the best knowledge of the Company, has any such condemnation, expropriation or taking been proposed.

(c) All leases of real property leased for the use or benefit of the Company to which the Company is a party and all amendments and modifications thereto are in full force and effect and have not been modified or amended, and there exists no default under any such lease by the Company, nor any event which with notice or lapse of time or both would constitute a default thereunder by the Company.

SECTION 3.14. Trademarks, Patents and Copyrights. (a) Section 3.14(a)(i) of the Disclosure Schedule sets forth a true and complete list and a brief description of all patents, patent rights, trademarks, trademark rights, trade names, trade name rights, copyrights and service marks ("Intellectual Property", which term shall also include all trade secrets, know-how and other proprietary rights and information) to which the Company holds, or has a right to hold, right, title and interest ("Owned Intellectual Property"), including a complete identification of each patent, registration or application for such patent and trademark registration, and Section 3.14(a)(ii) of the Disclosure Schedule sets forth a true and complete list of all Intellectual Property licensed or sublicensed to the Company (other than mass distributed software licenses on a shrink-wrap basis) ("Licensed Intellectual Property"), including a list of any license or sublicense thereof. Except as otherwise described in Section 3.14(a)(i) of the Disclosure Schedule, in each case where a registration or patent or application for registration or patent listed in Section 3.14(a)(i) of the Disclosure Schedule is held by assignment, the assignment has been duly recorded with the U.S. Patent and Trademark Office or other appropriate government agency. Except as disclosed in Section 3.14(a)(iii) of the Disclosure Schedule, the Company has not received any written notice or claim that the rights of the Company in or to such Intellectual Property conflict with or infringe on the rights of any other Person.

(b) (i) Except as set forth in Section 3.14(b) of the Disclosure Schedule, the Company's interest in all the Owned Intellectual Property is owned by the Company free and clear of any security interest, pledge, mortgage, lien, charge, encumbrance, existing adverse claim or preferential arrangement and (ii) no claim, action, suit, arbitration, inquiry, proceeding or investigation by or before any Governmental Authority (other than ex parte patent office proceedings) has been made or asserted or is pending (nor, to the best knowledge of the Company, has any such claim, action, suit, arbitration, inquiry, proceeding or investigation been threatened) against the Company either (A) based upon or challenging or seeking to deny or restrict the use by the Company of any of the Owned Intellectual Property or (B) alleging that any services provided, or products manufactured or sold by the Company are being provided, manufactured or sold in violation of any patents or trademarks, or any other rights of any person. To the best knowledge of the Company, no person is using any trademarks, service marks or trade names that are confusingly similar to trademarks, service marks or trade names included in the Owned Intellectual Property. To the best knowledge of the Company, no person is using any patents, copyrights, trade secrets or similar property which infringe granted patents or copyrights included in the Owned Intellectual Property. The Company has not granted any license or other right to any other person with respect to the Company's interest in the Owned Intellectual Property. The consummation of the Transactions will not result in the termination or impairment of the Company's interest in any of the Owned Intellectual Property.

(c) The Company has, or has caused to be, made available to Parent correct and complete copies of all the licenses and sublicenses for Licensed Intellectual Property listed in Section 3.14(a)(ii) of the Disclosure Schedule and any and all ancillary documents pertaining thereto (including, but not limited to, all amendments, consents and evidence of commencement dates and expiration dates). With respect to each of such licenses and sublicenses:

(i) such license or sublicense, together with all ancillary documents delivered pursuant to the first sentence of this Section 3.14(c), is valid and binding

obligation of the Company and in full force and effect and represents the entire agreement between the respective licensor and licensee with respect to the subject matter of such license or sublicense;

(ii) such license or sublicense will not cease to be valid and binding obligation of the Company and in full force and effect on terms identical to those currently in effect as a result of the consummation of the transactions contemplated by this Agreement, nor will the consummation of the transactions contemplated by this Agreement constitute a breach or default under such license or sublicense or otherwise give the licensor or sublicensor a right to terminate such license or sublicense;

(iii) with respect to each such license or sublicense: (A) the Company has not received any notice of termination or cancellation under such license or sublicense and no licensor or sublicensor has any right of termination or cancellation under such license or sublicense except in connection with the default of the Company thereunder, (B) the Company has not received any notice of a breach or default under such license or sublicense, which breach or default has not been cured and (C) the Company has not granted to any other person any rights, adverse or otherwise, under such license or sublicense;

(iv) neither the Company nor, to the best knowledge of the Company, any other party to such license or sublicense is in breach or default in any material respect which breach has not been waived or cured, and, to the best knowledge of the Company, no event has occurred that, with notice or lapse of time or both would constitute such a breach or default or permit termination, modification or acceleration under such license or sublicense;

(v) no claim, action, suit, arbitration, inquiry, proceeding or investigation by or before any Governmental Authority (other than ex parte patent office proceedings) has been made or asserted or is pending (nor, to the best knowledge of the Company, has any such claim, action, suit, arbitration, inquiry, proceeding or investigation been threatened) against the Company either (A) based upon or challenging or seeking to deny or restrict the use by the Company of any of the Licensed Intellectual Property or (B) alleging that any Licensed Intellectual Property is being licensed, sublicensed or used in violation of any patents or trademarks, or any other rights of any person; and

(vi) to the best knowledge of the Company, no person is infringing any granted patents, copyrights, trademarks, service marks or trade names, or has misappropriated trade secrets or similar property, included in the Licensed Intellectual Property.

(d) The Company has taken reasonable measures to assure and maintain the confidentiality of the processes and formulae, research and development results and other know-how of the Company, the value of which is contingent upon maintenance of the confidentiality thereof and, to the best knowledge of the Company, there have not been any material breaches of any confidentiality obligations owing to the Company.

SECTION 3.15. Taxes. The Company has timely filed all federal, state, local and foreign tax returns and reports required to be filed by it, all such returns are true, correct and complete and it has timely paid and discharged all taxes shown as due thereon and has paid all applicable ad valorem taxes as are due. Neither the IRS nor any other taxing authority or agency, domestic or foreign, is now asserting or, to the best knowledge of the Company, threatening to assert against the Company any deficiency or claim for additional taxes or interest thereon or penalties in connection therewith. The Company has not granted any waiver of any statute of limitations with respect to, or any extension of a period for the assessment of, any federal, state, county, municipal or foreign income tax. The accruals and reserves for taxes reflected in the 1994 Balance Sheet are adequate to cover all taxes accruable through such date (including interest and penalties, if any, thereon) in accordance with generally accepted accounting principles. The Company has not made an

election under Section 341(f) of the Code. There are no tax liens on any assets of the Company. The Company is not a party to any agreement or arrangement what would result in the payment of any "excess parachute payments" within the meaning of section 280G of the Internal Revenue Code. No acceleration of the vesting schedule for any property that is substantially unvested, within the meaning of the regulations under section 83 of the Internal Revenue Code, will occur in connection with the Merger. The Company has not been includible in a consolidated return for any taxable period for which the statute of limitations has not expired. The Company is not subject to any accumulated earnings tax penalty or personal holding company tax.

SECTION 3.16. Environmental Matters. (a) For purposes of this Agreement, the following terms shall have the following meanings: (i) "Environmental Claims" means any and all actions, suits, demands, demand letters, claims, liens, notices of non-compliance or violation, notices of liability or potential liability, proceedings, consent orders or consent agreements relating in any way to any Environmental Law, any Environmental Permit or any Hazardous Materials; (ii) "Environmental Law" means any statute, law, rule, ordinance or code, in effect now or any time prior to the Closing, and any judicial or administrative interpretation thereof, including any judicial or administrative order, consent decree or judgment, relating to pollution or protection of the environment, health, safety or natural resources, including without limitation, those relating to the use, handling, transportation, treatment, storage, disposal, release or discharge of Hazardous Materials; (iii) "Environmental Permit" means any permit, approval, identification number, license or other authorization required under any applicable Environmental Law; (iv) "Governmental Authority" means any United States federal, state or local or any foreign government, governmental, regulatory or administrative authority, agency or commission or any court, tribunal, or judicial or arbitral body; (v) "Hazardous Materials" means (A) petroleum and petroleum products, by products or breakdown products, radioactive materials, asbestos-containing materials and polychlorinated biphenyls, and (B) any other chemicals, materials or substances defined or regulated as toxic or hazardous or as a pollutant or contaminant or as a waste under any applicable Environmental Law; and (vi) "leased property" and "leased properties" means the real property which the Company has the right to control pursuant to its lease and not any property which the Company does not have the right to control.

(b) Except as described in Section 3.16 of the Disclosure Schedule: (i) the Company is and has been in material compliance with all applicable Environmental Laws; (ii) the Company has obtained all necessary Environmental Permits and is and has been in material compliance with their requirements; (iii) to the best knowledge of the Company, there are no underground or aboveground storage tanks or any surface impoundments, septic tanks, pits, sumps or lagoons in which Hazardous Materials are being or have been treated, stored or disposed of on any of the owned or leased properties or, with respect to the period of the Company's ownership, tenancy or operation of such property, on any real property formerly owned, leased or occupied by the Company; (iv) to the best knowledge of the Company, no owned or leased properties or any property adjoining any owned or leased properties is listed or proposed for listing on the National Priorities List under the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended through the date hereof, or on the Comprehensive Environmental Response, Compensation and Liability Information System, as updated through the date hereof, or any analogous state list of sites requiring investigation or cleanup; (v) to the best knowledge of the Company, there is no asbestos or asbestos-containing material on any of the owned or leased properties; (vi) the Company has not released, discharged or disposed of Hazardous Materials on any of the owned or leased properties or on any real property formerly owned, leased or occupied by the Company in any manner or quantity that can give rise to a Material Adverse Effect; (vii) the Company is not undertaking, has not completed, and, to the best knowledge of the Company, is not required to conduct, any investigation or assessment or remedial or response action relating to any release, discharge or disposal of or contamination with Hazardous Materials at any site, location or operation, either voluntarily or pursuant to the order of any Governmental Authority or the requirements of any Environmental Law; and (viii) there are no past, pending or, to the best knowledge of the Company, threatened Environmental Claims against the Company or any of its properties,

and, to the best knowledge of the Company, there are no facts which can form the basis of any such Environmental Claim, including without limitation with respect to any off-site disposal location presently or formerly used by the Company or any of its predecessors.

(c) The Company has made available to Parent copies of any environmental audit reports, studies or analyses in its possession or under its control relating to the owned or leased properties or the operations of the Company.

SECTION 3.17. Material Contracts. Section 3.17 of the Disclosure Schedule lists each contract or agreement to which the Company is a party (i) that is required to be filed pursuant to Item 601(b)(10) of Regulation S-K under the Securities Act (each of which has been so filed as an Exhibit to the SEC Reports), (ii) that grants to a third party any commercial rights to exploit any of the Intellectual Property or (iii) the absence of which would have a Material Adverse Effect (each, a "Material Contract"). Each Material Contract is in full force and effect and is enforceable against the parties thereto (other than the Company) in accordance with its terms, except as may be limited by bankruptcy, insolvency, reorganization, moratorium or other laws affecting creditors' rights generally (including, without limitation, the effect of statutory and other law regarding fraudulent conveyances, fraudulent transfers and preferential transfers) and as may be limited by the exercise of judicial discretion and the application of principles of equity, including, without limitation, requirements of good faith, fair dealing, conscionability and materiality (regardless of whether considered in a proceeding in equity or at law), and no condition or state of facts exists that, with notice or the passage of time, or both, would constitute a material default by the Company or, to the best knowledge of the Company, any third party under any Material Contract. The Company has duly complied in all material respects with the provision of each Material Contract to which it is a party.

SECTION 3.18. Brokers. No broker, finder or investment banker (other than Aylward and Associates) is entitled to any brokerage, finder's or other fee or commission in connection with the Transactions based upon arrangements made by or on behalf of the Company. The Company has heretofore furnished to Parent a complete and correct copy of all agreements between the Company and Aylward and Associates

SECTION 3.19. Opinion of Financial Advisor. The Board of Directors of the Company has received the written opinion of Fister & Associates, dated the date of this Agreement, to the effect that the cash consideration to be received in the Offer and the Merger by the Company's public stockholders is fair to the Company's public stockholders from a financial point of view, a copy of such opinion has been delivered to Parent and such opinion has not been withdrawn or modified.

SECTION 3.20. Related Party Transactions. Except as disclosed in the SEC Reports, there are no material agreements, arrangements or understandings between the Company, on the one hand, and any affiliate of the Company, on the other hand.

ARTICLE IV

REPRESENTATIONS AND WARRANTIES OF PARENT AND PURCHASER

Parent and Purchaser hereby, jointly and severally, represent and warrant to the Company that:

SECTION 4.01. Corporate Organization. Each of Parent and Purchaser is a corporation duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization.

SECTION 4.02. Authority Relative to this Agreement. Each of Parent and Purchaser has all necessary corporate power and authority to execute and deliver this Agreement, to perform its obligations hereunder and to consummate the Transactions. The execution and delivery of this Agreement by Parent and Purchaser and the consummation by

Parent and Purchaser of the Transactions have been duly and validly authorized by all necessary corporate action on the part of Parent and Purchaser and no other corporate proceedings on the part of Parent or Purchaser are necessary to authorize this Agreement or to consummate the Transactions (other than, with respect to the Merger, the filing and recordation of appropriate merger documents as required by Delaware Law). This Agreement has been duly and validly executed and delivered by Parent and Purchaser and, assuming the due authorization, execution and delivery by the Company, constitutes a legal, valid and binding obligation of each of Parent and Purchaser enforceable against each of Parent and Purchaser in accordance with its terms, except as enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or other laws affecting creditors' rights generally (including, without limitation, the effect of statutory and other law regarding fraudulent conveyances, fraudulent transfers and preferential transfers) and as may be limited by the exercise of judicial discretion and the application of principles of equity including, without limitation, requirements of good faith, fair dealing, conscionability and materiality (regardless of whether considered in a proceeding in equity or at law).

SECTION 4.03. No Conflict; Required Filings and Consents. (a) The execution and delivery of this Agreement by Parent and Purchaser do not, and the performance of this Agreement by Parent and Purchaser will not, (i) conflict with or violate the Certificate of Incorporation or By-laws of either Parent or Purchaser, (ii) conflict with or violate any law, rule, regulation, order, judgment or decree applicable to Parent or Purchaser or by which any property or asset of either of them is bound or affected, or (iii) result in any breach of or constitute a default (or an event which with notice or lapse of time or both would become a default) under, or give to others any rights of termination, amendment, acceleration or cancellation of, or result in the creation of a lien or other encumbrance on any property or asset of Parent or Purchaser pursuant to, any note, bond, mortgage, indenture, contract, agreement, lease, license, permit, franchise or other instrument or obligation to which Parent or Purchaser is a party or by which Parent or Purchaser or any property or asset of either of them is bound or affected, except for any such conflicts, violations, breaches, defaults or other occurrences which would not, individually or in the aggregate, prevent Parent or Purchaser from performing their respective obligations under this Agreement and consummating the Transactions.

(b) The execution and delivery of this Agreement by Parent and Purchaser do not, and the performance of this Agreement by Parent and Purchaser will not, require any consent, approval, authorization or permit of, or filing with or notification to, any governmental or regulatory authority to be obtained or made by Parent or Purchaser, domestic or foreign, except (i) for applicable requirements, if any, of the Exchange Act, Blue Sky Laws and state takeover laws, the HSR Act and filing and recordation of appropriate merger documents as required by Delaware Law and (ii) where the failure to obtain such consents, approvals, authorizations or permits, or to make such filings or notifications, would not prevent or delay consummation of the Offer or the Merger, or otherwise prevent Parent or Purchaser from performing their respective obligations under this Agreement.

SECTION 4.04. Financing. Parent has, or will have available to it at the time Purchaser is required to pay for Shares under the terms of the Offer, and will make available to Purchaser, sufficient funds to permit Purchaser to acquire all of the outstanding Shares in the Offer and the Merger.

SECTION 4.05. Offer Documents; Proxy Statement. The Offer Documents will not, at the time the Offer Documents are filed with the SEC or are first published, sent or given to stockholders of the Company, as the case may be, contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary in order to make the statements made therein, in the light of the circumstances under which they are made, not misleading. The information supplied by Parent for inclusion in the Proxy Statement will not, on the date the Proxy Statement (or any amendment or supplement thereto) is first mailed to stockholders of the Company, at the time of the Stockholders' Meeting or at the Effective Time, contain any statement which, at such time and in light of the circumstances under which it is made, is false or misleading with respect to any material

fact, or omit to state any material fact required to be stated therein or necessary in order to make the statements therein not false or misleading or necessary to correct any statement in any earlier communication with respect to the solicitation of proxies for the Stockholders' Meeting which shall have become false or misleading. Notwithstanding the foregoing, Parent and Purchaser make no representation or warranty with respect to any information supplied by the Company or any of its representatives which is contained in any of the foregoing documents or the Offer Documents. The Offer Documents shall comply in all material respects as to form with the requirements of the Exchange Act and the rules and regulations thereunder.

SECTION 4.06. Brokers. No broker, finder or investment banker is entitled to any brokerage, finder's or other fee or commission in connection with the Transactions based upon arrangements made by or on behalf of Parent or Purchaser.

ARTICLE V

CONDUCT OF BUSINESS PENDING THE MERGER

SECTION 5.01. Conduct of Business by the Company Pending the Merger. The Company covenants and agrees that, between the date of this Agreement and the Effective Time, unless Parent shall otherwise agree in writing, the business of the Company shall be conducted only in, and the Company shall not take any action except in, the ordinary course of business and in a manner consistent with past practice; and the Company shall use its best efforts to preserve substantially intact the business organization of the Company, to keep available the services of the current officers, employees and consultants of the Company and to preserve the current relationships of the Company with customers, suppliers and other persons with which the Company has significant business relations. By way of amplification and not limitation, except as contemplated by this Agreement, the Company shall not, between the date of this Agreement and the Effective Time, directly or indirectly do, or propose to do, any of the following without the prior written consent of Parent:

(a) amend or otherwise change its Certificate of Incorporation or By-laws;

(b) issue, sell, pledge, dispose of, grant, encumber, or authorize the issuance, sale, pledge, disposition, grant or encumbrance of, (i) any shares of capital stock of any class of the Company, or any options, warrants, convertible securities or other rights of any kind to acquire any shares of such capital stock, or any other ownership interest (including, without limitation, any phantom interest), of the Company (except for the issuance of a maximum of 130,000 Shares issuable pursuant to Options outstanding on the date hereof) or (ii) any assets of the Company except for sales in the ordinary course of business and in a manner consistent with past practice;

(c) except as set forth in Section 5.01 of the Disclosure Schedule, declare, set aside, make or pay any dividend or other distribution, payable in cash, stock, property or otherwise, with respect to any of its capital stock;

(d) except as set forth in Section 5.01 of the Disclosure Schedule, reclassify, combine, split, subdivide or redeem, purchase or otherwise acquire, directly or indirectly, any of its capital stock;

(e) (i) acquire (including, without limitation, by merger, consolidation, or acquisition of stock or assets) any corporation, partnership, other business organization or any division thereof or any material amount of assets; (ii) incur any indebtedness for borrowed money or issue any debt securities or assume, guarantee or endorse, or otherwise as an accommodation become responsible for, the obligations of any person, or make any loans or advances, except in the ordinary course of business and consistent with past practice; (iii) enter into any

contract or agreement other than in the ordinary course of business, consistent with past practice; (iv) authorize any single capital commitment which is in excess of $50,000 or capital expenditures which are, in the aggregate, in excess of $100,000 for the Company; or (v) enter into or amend any contract, agreement, commitment or arrangement with respect to any matter set forth in this Section 5.01(e);

(f) except as set forth in Section 5.01 of the Disclosure Schedule, increase the compensation payable or to become payable to its officers or employees, except for increases in accordance with past practices in salaries or wages of employees of the Company who are not officers of the Company, or grant any severance or termination pay to, or enter into any employment or severance agreement with any director, officer or other employee of the Company, or establish, adopt, enter into or amend any collective bargaining, bonus, profit sharing, thrift, compensation, stock option, restricted stock, pension, retirement, deferred compensation, employment, termination, severance or other plan, agreement, trust, fund, policy or arrangement for the benefit of any director, officer or employee;

(g) take any action, other than reasonable and usual actions in the ordinary course of business and consistent with past practice, with respect to accounting policies or procedures (including, without limitation, procedures with respect to the payment of accounts payable and collection of accounts receivables);

(h) make any tax election or settle or compromise any material federal, state, local or foreign income tax liability;

(i) settle or compromise any pending or threatened suit, action or claim which is material or which relates to any of the Transactions;

(j) pay, discharge or satisfy any claim, liability or obligation (absolute, accrued, asserted or unasserted, contingent or otherwise), other than the payment, discharge or satisfaction, in the ordinary course of business and consistent with past practice, of liabilities reflected or reserved against in the 1994 Balance Sheet or subsequently incurred in the ordinary course of business and consistent with past practice;

(k) sell, assign, transfer, license, sublicense, pledge or otherwise encumber any of the Intellectual Property; or

(l) announce an intention, commit or agree to do any of the foregoing.

ARTICLE VI

ADDITIONAL AGREEMENTS

SECTION 6.01. Stockholders' Meeting. (a) If required by applicable law in order to consummate the Merger, the Company, acting through the Board, shall, in accordance with applicable law and the Company's Certificate of Incorporation and By-laws, (i) duly call, give notice of, convene and hold an annual or special meeting of its stockholders as soon as practicable following consummation of the Offer for the purpose of considering and taking action on this Agreement and the transactions contemplated hereby (the "Stockholders' Meeting") and (ii) subject to its fiduciary duties under applicable law as advised in writing by independent counsel, (A) include in the Proxy Statement the unanimous recommendation of the Board that the stockholders of the Company approve and adopt this Agreement and the transactions contemplated hereby and (B) use its best efforts to obtain such approval and adoption. At the Stockholders' Meeting, Parent and Purchaser shall cause all Shares then owned by them to be voted in favor of the approval and adoption of this Agreement and the transactions contemplated hereby.

(b) Notwithstanding the foregoing, in the event that Purchaser shall acquire at least 90 percent of the then outstanding Shares, the parties hereto agree, at the request of Purchaser, subject to Article VII, to take all necessary and appropriate action to cause the Merger to become effective, in accordance with Section 253 of Delaware Law, as soon as reasonably practicable after such acquisition, without a meeting of the stockholders of the Company.

SECTION 6.02. Proxy Statement. If required by applicable law, as soon as practicable following consummation of the Offer, the Company shall file the Proxy Statement with the SEC under the Exchange Act, and shall use its best efforts to have the Proxy Statement cleared as promptly as practicable by the SEC. Parent, Purchaser and the Company shall cooperate with each other in the preparation of the Proxy Statement, and the Company shall notify Parent of the receipt of any comments of the SEC with respect to the Proxy Statement and of any requests by the SEC for any amendment or supplement thereto or for additional information and shall provide to Parent promptly copies of all correspondence between the Company or any representative of the Company and the SEC. The Company shall give Parent and its counsel the opportunity to review the Proxy Statement prior to its being filed with the SEC and shall give Parent and its counsel the opportunity to review all amendments and supplements to the Proxy Statement and all responses to requests for additional information and replies to comments prior to their being filed with, or sent to, the SEC. Each of the Company, Parent and Purchaser agrees to use its reasonable best efforts, after consultation with the other parties hereto, to respond promptly to all such comments of and requests by the SEC and to cause the Proxy Statement and all required amendments and supplements thereto to be mailed to the holders of Shares entitled to vote at the Stockholders' Meeting at the earliest practicable time.

SECTION 6.03. Company Board Representation; Section 14(f). (a) Promptly upon the purchase by Purchaser of Shares pursuant to the Offer, and from time to time thereafter, Purchaser shall be entitled to designate up to such number of directors, rounded up to the next whole number, on the Board as shall give Purchaser representation on the Board equal to the product of the total number of directors on the Board (giving effect to the directors elected pursuant to this sentence) multiplied by the percentage that the aggregate number of Shares beneficially owned by Purchaser and affiliates of Purchaser following such purchase bears to the total number of Shares then outstanding, and the Company shall, at such time, promptly take all actions necessary to cause Purchaser's designees to be elected as directors of the Company, including increasing the size of the Board or securing the resignations of incumbent directors or both. At such times, the Company shall use its best efforts to cause persons designated by Purchaser to constitute the same percentage as persons designated by Purchaser shall constitute of the Board of each committee of the Board, in each case only to the extent permitted by applicable law. Notwithstanding the foregoing, until the earlier of (i) the time Purchaser acquires a majority of the then outstanding Shares on a fully diluted basis and (ii) the Effective Time, the Company shall use its best efforts to ensure that all the members of the Board and each committee of the Board as of the date hereof who are not employees of the Company shall remain members of the Board and of such committees.

(b) The Company shall promptly take all actions required pursuant to Section 14(f) of the Exchange Act and Rule 14f-1 promulgated thereunder in order to fulfill its obligations under this Section 6.03 and shall include in the Schedule 14D-9 such information with respect to the Company and its officers and directors as is required under Section 14(f) and Rule 14f-1 to fulfill such obligations. Parent or Purchaser shall supply to the Company and be solely responsible for any information with respect to either of them and their nominees, officers, directors and affiliates required by such Section 14(f) and Rule 14f-1.

(c) Following the election of designees of Purchaser pursuant to this Section 6.03, prior to the Effective Time, any amendment of this Agreement or the Certificate of Incorporation or By-laws of the Company, any termination of this Agreement by the Company, any extension by the Company of the time for the performance of any of the obligations or other acts of Parent or Purchaser or waiver of any of the Company's rights

hereunder shall require the concurrence of a majority of the directors of the Company then in office who are neither (i) designees of Purchaser nor (ii) employees of the Company.

SECTION 6.04. Access to Information; Confidentiality. (a) From the date hereof to the Effective Time, the Company shall, and shall cause the officers, directors, employees, auditors and agents of the Company to, afford the officers, employees and agents of Parent and Purchaser and persons providing or committing to provide Parent or Purchaser with financing for the Transactions complete access at all reasonable times to the officers, employees, agents, properties, offices, plants and other facilities, books and records of the Company, and shall furnish Parent and Purchaser and persons providing or committing to provide Parent or Purchaser with financing for the Transactions with all financial, operating and other data and information as Parent or Purchaser, through its officers, employees or agents, may reasonably request.

(b) All information obtained by Parent or Purchaser pursuant to this Section 6.04 shall be kept confidential in accordance with the confidentiality agreement, dated October 10, 1995 (the "Confidentiality Agreement"), between Parent and the Company.

(c) No investigation pursuant to this Section 6.04 shall affect any representation or warranty in this Agreement of any party hereto or any condition to the obligations of the parties hereto.

SECTION 6.05. No Solicitation of Transactions. Unless this Agreement shall have been terminated pursuant to Section 8.01, the Company shall not, directly or indirectly, through any officer, director, agent or otherwise, solicit, initiate or encourage the submission of any proposal or offer from any person relating to any acquisition or purchase of all or (other than in the ordinary course of business) any portion of the assets of, or any equity interest in, the Company or any business combination with the Company or participate in any negotiations regarding, or furnish to any other person any information with respect to, or otherwise cooperate in any way with, or assist or participate in, facilitate or encourage, any effort or attempt by any other person to do or seek any of the foregoing; provided, however, that nothing contained in this Section 6.05 shall prohibit the Board from responding to any unsolicited proposal made in writing to acquire the Company pursuant to a merger, consolidation, share exchange, business combination or other similar transaction or to acquire all or substantially all of the assets of the Company, to the extent the Board, after consultation with independent legal counsel, determines in good faith that such action is required for the Board to comply with its fiduciary duty to stockholders imposed by Delaware Law. The Company immediately shall cease and cause to be terminated all existing discussions or negotiations with any parties conducted heretofore with respect to any of the foregoing. The Company shall notify Parent promptly if any such proposal or offer, or any inquiry or contact with any person with respect thereto, is made and shall, in any such notice to Parent, indicate in reasonable detail the identity of the person making such proposal, offer, inquiry or contact and the terms and conditions of such proposal, offer, inquiry or contact. The Company agrees not to release any third party from, or waive any provision of, any confidentiality or standstill agreement to which the Company is a party.

SECTION 6.06. Employee Benefits Matters. Parent intends that, for a period of one year immediately following the Effective Time, it shall, or shall cause the Surviving Corporation to, continue to maintain employee benefit and welfare plans, programs, contracts, agreements policies and executive incentives and perquisites, other than equity- based plans, for the benefit of active and retired employees of the Company or the Surviving Corporation which in the aggregate provide benefits that are no less favorable to employees than the benefits provided to such active and retired employees on the date hereof.

SECTION 6.07. Directors' and Officers' Indemnification. (a) The By-laws of the Surviving Corporation shall contain provisions no less favorable with respect to indemnification, advancement of expenses and related matters than are set forth in Article VII of the By-laws of the Company as in effect on the date hereof, which provisions shall not be amended, repealed or otherwise modified for a period of three years from the

Effective Time in any manner that would affect adversely the rights thereunder of individuals who at the Effective Time were directors, officers, employees, fiduciaries or agents of the Company, unless such modification shall be required by law.

(b) The Company shall, to the fullest extent permitted under applicable law and regardless of whether the Merger becomes effective, indemnify and hold harmless, and, after the Effective Time, the Surviving Corporation shall, to the fullest extent permitted under applicable law, indemnify and hold harmless, each present and former director, officer, employee, fiduciary and agent of the Company (collectively, the "Indemnified Parties") against all costs and expenses (including attorneys' fees), judgments, fines, losses, claims, damages, liabilities and settlement amounts paid in connection with any claim, action, suit, proceeding or investigation (whether arising before or after the Effective Time), whether civil, criminal, administrative or investigative, arising out of or pertaining to any action or omission in their capacity as an officer, director, employee, fiduciary or agent, whether occurring before, at or after the Effective Time, whether asserted or claimed prior to, at or after the Effective Time, for a period of three years after the date hereof. In the event of any such claim, action, suit, proceeding or investigation, (i) the Company or the Surviving Corporation, as the case may be, shall pay the reasonable fees and expenses of counsel selected by the Indemnified Parties, which counsel shall be reasonably satisfactory to the Company or the Surviving Corporation, promptly after statements therefor are received and (ii) the Company and the Surviving Corporation shall cooperate in the defense of any such matter; provided, however, that neither the Company nor the Surviving Corporation shall be liable for any settlement effected without its written consent (which consent shall not be unreasonably withheld); and provided, further, that neither the Company nor the Surviving Corporation shall be obligated pursuant to this Section 6.07(b) to pay the fees and expenses of more than one counsel for all Indemnified Parties in any single action except to the extent that two or more of such Indemnified Parties shall have conflicting interests in the outcome of such action; and provided, further, that, in the event that any claim for indemnification is asserted or made within such three-year period, all rights to indemnification in respect of such claim shall continue until the disposition of such claim.

(c) In the event the Company or the Surviving Corporation or any of their respective successors or assigns (i) consolidates with or merges into any other person and shall not be the continuing or surviving corporation or entity of such consolidation or merger or (ii) transfers all or substantially all of its properties and assets to any person, then, and in each such case, proper provision shall be made so that the successors and assigns of the Company or the Surviving Corporation, as the case may be, or at Parent's option, Parent, shall assume the obligations set forth in this Section 6.07.

SECTION 6.08. Notification of Certain Matters. The Company shall give prompt notice to Parent, and Parent shall give prompt notice to the Company, of (i) the occurrence, or non-occurrence, of any event the occurrence, or non-occurrence, of which would be likely to cause any representation or warranty of the Company contained in this Agreement to be untrue or inaccurate and (ii) any failure of the Company, Parent or Purchaser, as the case may be, to comply with or satisfy any covenant, condition or agreement to be complied with or satisfied by it hereunder; provided, however, that the delivery of any notice pursuant to this Section 6.08 shall not limit or otherwise affect the remedies available hereunder to the party receiving such notice.

SECTION 6.09. Further Action; Reasonable Best Efforts. Upon the terms and subject to the conditions hereof, each of the parties hereto shall (i) make promptly its respective filings, and thereafter make any other required submissions, under the HSR Act with respect to the Transactions and (ii) use its reasonable best efforts to take, or cause to be taken, all appropriate action, and to do, or cause to be done, all things necessary, proper or advisable under applicable laws and regulations to consummate and make effective the Transactions, including, without limitation, using its reasonable best efforts to obtain all licenses, permits (including, without limitation, Environmental Permits), consents, approvals, authorizations, qualifications and orders of governmental authorities and parties to contracts with the Company as are necessary for the consummation of the Transactions and to fulfill the conditions to the Offer and the Merger. In case at any time after the Effective Time any

further action is necessary or desirable to carry out the purposes of this Agreement, the proper officers and directors of each party to this Agreement shall use their reasonable best efforts to take all such action.

SECTION 6.10. Public Announcements. Parent, Purchaser and the Company shall consult with each other before issuing any press release or otherwise making any public statements with respect to this Agreement or any Transaction and shall not issue any such press release or make any such public statement without the consent of the other parties, except as may be required by law or the Company's listing agreement with the Nasdaq National Market.

SECTION 6.11. Confidentiality Agreement. The Company hereby waives the provisions of the Confidentiality Agreement as and to the extent necessary to permit the consummation of each Transaction as contemplated by this Agreement. Upon the acceptance for payment of Shares pursuant to the Offer, the Confidentiality Agreement shall be deemed to have terminated without further action by the parties thereto.

ARTICLE VII

CONDITIONS TO THE MERGER

SECTION 7.01. Conditions to the Merger. The respective obligations of each party to effect the Merger shall be subject to the satisfaction at or prior to the Effective Time of the following conditions:

(a) Stockholder Approval. This Agreement and the transactions contemplated hereby shall have been approved and adopted by the affirmative vote of the stockholders of the Company to the extent required by Delaware Law and the Certificate of Incorporation of the Company;

(b) HSR Act. Any waiting period (and any extension thereof) applicable to the consummation of the Merger under the HSR Act shall have expired or been terminated;

(c) No Order. No foreign, United States or state governmental authority or other agency or commission or foreign, United States or state court of competent jurisdiction shall have enacted, issued, promulgated, enforced or entered any law, rule, regulation, executive order, decree, injunction or other order (whether temporary, preliminary or permanent) which is then in effect and has the effect of making the acquisition of Shares by Parent or Purchaser or any affiliate of either of them illegal or otherwise restricting, preventing or prohibiting consummation of the Transactions; and

(d) Offer. Purchaser or its permitted assignee shall have purchased all Shares validly tendered and not withdrawn pursuant to the Offer; provided, however, that this condition shall not be applicable to the obligations of Parent or Purchaser if, in breach of this Agreement or the terms of the Offer, Purchaser fails to purchase any Shares validly tendered and not withdrawn pursuant to the Offer.

ARTICLE VIII

TERMINATION, AMENDMENT AND WAIVER

SECTION 8.01. Termination. This Agreement may be terminated and the Merger and the other Transactions may be abandoned at any time prior to the Effective Time, notwithstanding any requisite approval and adoption of this Agreement and the transactions contemplated hereby by the stockholders of the Company:

(a) By mutual written consent duly authorized by the Boards of Directors of Parent, Purchaser and the Company; or

(b) By either Parent, Purchaser or the Company if (i) the Effective Time shall not have occurred on or before March 31, 1996; provided, however, that the right to terminate this Agreement under this Section 8.01(b) shall not be available to any party whose failure to fulfill any obligation under this Agreement has been the cause of, or resulted in, the failure of the Effective Time to occur on or before such date; or (ii) any court of competent jurisdiction in the United States or other United States governmental authority shall have issued an order, decree, ruling or taken any other action restraining, enjoining or otherwise prohibiting the Merger and such order, decree, ruling or other action shall have become final and nonappealable; or

(c) By Parent if (i) due to an occurrence or circumstance that would result in a failure to satisfy any condition set forth in Annex A hereto, Purchaser shall have (A) failed to commence the Offer within 30 days following the date of this Agreement, (B) terminated the Offer without having accepted any Shares for payment thereunder or (C) failed to pay for Shares pursuant to the Offer within 60 days following the commencement of the Offer, unless such failure to pay for Shares shall have been caused by or resulted from the failure of Parent or Purchaser to perform in any material respect any material covenant or agreement of either of them contained in this Agreement or the material breach by Parent or Purchaser of any material representation or warranty of either of them contained in this Agreement or (ii) prior to the purchase of Shares pursuant to the Offer, the Board or any committee thereof shall have withdrawn or modified in a manner adverse to Purchaser or Parent its approval or recommendation of the Offer, this Agreement, the Merger or any other Transaction or shall have recommended another merger, consolidation, business combination with, or acquisition of, the Company or its assets or another tender offer for Shares, or shall have resolved to do any of the foregoing; or

(d) By the Company, upon approval of the Board, if (i) Purchaser shall have (A) failed to commence the Offer within 30 days following the date of this Agreement, (B) terminated the Offer without having accepted any Shares for payment thereunder or (C) failed to pay for Shares pursuant to the Offer within 60 days following the commencement of the Offer, unless such failure to pay for Shares shall have been caused by or resulted from the failure of the Company to perform in any material respect any material covenant or agreement of the Company contained in this Agreement or the material breach by the Company of any material representation or warranty of the Company contained in this Agreement or (ii) prior to the purchase of Shares pursuant to the Offer the Board shall have withdrawn or modified in a manner adverse to Purchaser or Parent its approval or recommendation of the Offer, this Agreement or the Merger in order to approve the execution by the Company of a definitive agreement providing for the acquisition of the Company or its assets or a merger or other business combination or in order to approve a tender offer or exchange offer for Shares by a third party, in either case, as determined by the Board in the exercise of its good faith judgment and after consultation with its legal counsel and financial advisors, on terms more favorable to the Company's stockholders than the Offer and the Merger taken together; provided, however, that such termination under this clause (ii) shall not be effective until the Company has made payment to Parent of the Fee (as hereinafter defined) required to be paid pursuant to Section 8.03(a) and has deposited with a mutually acceptable escrow agent $500,000 for reimbursement to Parent and Purchaser of Expenses (as hereinafter defined).

SECTION 8.02. Effect of Termination. In the event of the termination of this Agreement pursuant to Section 8.01, this Agreement shall forthwith become void, and there shall be no liability on the part of any party hereto, except (i) as set forth in Sections 8.03 and 9.01 and (ii) nothing herein shall relieve any party from liability for any breach hereof.

SECTION 8.03. Fees and Expenses. (a) In the event that

(i) any person shall have commenced a tender or exchange offer for 10% or more (or which, assuming the maximum amount of securities which could be purchased, would result in any person beneficially owning 10% or more) of the then outstanding Shares or otherwise for the direct or indirect acquisition of the Company or all or substantially all of its assets for per Share consideration having a value greater than the Per Share Amount (a "Competing Proposal") and (w) the Board does not recommend against the Competing Proposal, (x) the Offer shall have remained open for at least 20 business days, (y) the Minimum Condition shall not have been satisfied and (z) this Agreement shall have been terminated pursuant to Section 8.01; or

(ii) this Agreement is terminated (x) pursuant to Section 8.01(c)(ii) or (y) pursuant to Section 8.01(d)(ii);

then, in any such event, the Company shall pay Parent promptly (but in no event later than one business day after the first of such events shall have occurred) a fee of U.S.$1,000,000 (the "Fee"), which amount shall be payable in immediately available funds, plus all Expenses up to $500,000 in the aggregate. For purposes of this Section 8.03, the term "Expenses" shall mean all out-of-pocket expenses and fees of each of Parent, Purchaser and their respective shareholders and affiliates (including, without limitation, fees and expenses payable to all banks, investment banking firms, other financial institutions and other persons and their respective agents and counsel for arranging, committing to provide or providing any financing for the Transactions or structuring the Transactions and all fees of counsel, accountants, experts and consultants to Parent and Purchaser, and all printing and advertising expenses and all costs and expenses incurred by or on behalf of Parent and Purchaser in connection with the collection under and enforcement of this Section 8.03) actually incurred or accrued by any of them or on their behalf in connection with the Transactions, including, without limitation, the financing thereof, and actually incurred or accrued by banks, investment banking firms, other financial institutions and other persons and assumed by Parent and Purchaser in connection with the negotiation, preparation, execution and performance of this Agreement, the structuring and financing of the Transactions and any financing commitments or agreements relating thereto.

(b) Except as set forth in this Section 8.03, all costs and expenses incurred in connection with this Agreement and the Transactions shall be paid by the party incurring such expenses, whether or not any Transaction is consummated.

SECTION 8.04. Amendment. Subject to Section 6.03(c), this Agreement may be amended by the parties hereto by action taken by or on behalf of their respective Boards of Directors at any time prior to the Effective Time; provided, however, that, after the approval and adoption of this Agreement and the transactions contemplated hereby by the stockholders of the Company, no amendment may be made which would reduce the amount or change the type of consideration into which each Share shall be converted upon consummation of the Merger. This Agreement may not be amended except by an instrument in writing signed by the parties hereto.

SECTION 8.05. Extension; Waiver. At any time prior to the Effective Time, any party hereto may (i) extend the time for the performance of any obligation or other act of any other party hereto, (ii) waive any inaccuracy in the representations and warranties contained herein or in any document delivered pursuant hereto and (iii) waive compliance with any agreement or condition contained herein. Any such extension or waiver shall be valid only if set forth in an instrument in writing signed by the party or parties to be bound thereby.

ARTICLE IX

GENERAL PROVISIONS

SECTION 9.01. Non-Survival of Representations, Warranties and Agreements. The representations, warranties and agreements in this Agreement shall terminate at the Effective Time or upon the termination of this Agreement pursuant to Section 8.01, as the case may be, except that the agreements set forth in Articles II and Sections 6.06 and 6.07 shall survive the Effective Time indefinitely and those set forth in Sections 6.04(b) and 8.03 shall survive termination indefinitely. This Section 9.01 shall not limit any covenant or agreement of the parties which by its terms contemplates performance after the Effective Time of the Merger.

SECTION 9.02. Notices. All notices, requests, claims, demands and other communications hereunder shall be in writing and shall be given (and shall be deemed to have been duly given upon receipt) by delivery in person, by telecopy or by registered or certified mail (postage prepaid, return receipt requested) to the respective parties at the following addresses (or at such other address for a party as shall be specified in a notice given in accordance with this Section 9.02):

if to Parent or Purchaser:

Thomson U.S. Holdings Inc.
c/o The Thomson Corporation
Metro Center at One Station Place
Stamford, Connecticut 06902
Telecopier No. : (203) 348-5718
Attention: General Counsel

with a copy (which shall not by itself constitute notice) to:

Research Institute of America
90 Fifth Avenue
New York, New York 10011
Telecopier No.: (212) 337-4197
Attention: Euan C. Menzies

and a copy to:

Shearman & Sterling
599 Lexington Avenue
New York, New York 10022
Telecopier No.: (212) 848-7179
Attention: David W. Heleniak, Esq.

if to the Company:

SCS/Compute, Inc.
2252 Welsch Industrial Court
St. Louis, Missouri 63146
Telecopier No.: (314) 432-7308
Attention: Chief Executive Officer

with a copy (which shall not by itself constitute notice) to:

Peper, Martin, Jensen, Maichel and Hetlage
720 Olive Street, 24th floor
St. Louis, Missouri 63101
Telecopier No: (314) 621-4834
Attention: John R. Short, Esq.

SECTION 9.03. Certain Definitions. For purposes of this Agreement, the term:

(a) "affiliate" of a specified person means a person who directly or indirectly through one or more intermediaries controls, is controlled by, or is under common control with, such specified person;

(b) "beneficial owner" with respect to any Shares means a person who shall be deemed to be the beneficial owner of such Shares (i) which such person or any of its affiliates or associates (as such term is defined in Rule 12b-2 promulgated under the Exchange Act) beneficially owns, directly or indirectly, (ii) which such person or any of its affiliates or associates has, directly or indirectly, (A) the right to acquire (whether such right is exercisable immediately or subject only to the passage of time), pursuant to any agreement, arrangement or understanding or upon the exercise of conversion rights, exchange rights, warrants or options, or otherwise, or (B) the right to vote pursuant to any agreement, arrangement or understanding or (iii) which are beneficially owned, directly or indirectly, by any other persons with whom such person or any of its affiliates or associates or person with whom such person or any of its affiliates or associates has any agreement, arrangement or understanding for the purpose of acquiring, holding, voting or disposing of any Shares;

(c) "business day" means any day on which the principal offices of the SEC in Washington, D.C. are open to accept filings, or, in the case of determining a date when any payment is due, any day on which banks are not required or authorized to close in the City of New York;

(d) "control" (including the terms "controlled by" and "under common control with") means the possession, directly or indirectly or as trustee or executor, of the power to direct or cause the direction of the management and policies of a person, whether through the ownership of voting securities, as trustee or executor, by contract or credit arrangement or otherwise;

(e) "person" means an individual, corporation, partnership, limited partnership, limited liability company, syndicate, person (including, without limitation, a "person" as defined in Section 13(d)(3) of the Exchange Act), trust, association or entity or government, political subdivision, agency or instrumentality of a government; and

(f) "subsidiary" or "subsidiaries" of the Company, the Surviving Corporation, Parent or any other person means an affiliate controlled by such person, directly or indirectly, through one or more intermediaries.

SECTION 9.04. Severability. If any term or other provision of this Agreement is invalid, illegal or incapable of being enforced by any rule of law, or public policy, all other conditions and provisions of this Agreement shall nevertheless remain in full force and effect so long as the economic or legal substance of the Transactions is not affected in any manner materially adverse to any party. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the parties hereto shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in a mutually acceptable manner in order that the Transactions be consummated as originally contemplated to the fullest extent possible.

SECTION 9.05. Entire Agreement; Assignment. Except as set forth in Sections 6.04 and 6.11, this Agreement constitutes the entire agreement among the parties with respect to the subject matter hereof and supersedes all prior agreements and undertakings, both written and oral, among the parties, or any of them, with respect to the subject matter hereof. This Agreement shall not be assigned by operation of law or otherwise, except that Parent and Purchaser may assign all or any of their rights and obligations hereunder to any affiliate of Parent provided that no such assignment shall relieve the assigning party of its obligations hereunder if such assignee does not perform such obligations.

SECTION 9.06. Parties in Interest. This Agreement shall be binding upon and inure solely to the benefit of the parties hereto and their respective successors and assigns, and nothing in this Agreement, express or implied, is intended to or shall confer upon any other person any right, benefit or remedy of any nature whatsoever under or by reason of this Agreement, other than Section 6.07 (which is intended to be for the benefit of the persons covered thereby and may be enforced by such persons).

SECTION 9.07. Specific Performance. The parties hereto agree that irreparable damage would occur in the event any provision of this Agreement was not performed in accordance with the terms hereof and that the parties shall be entitled to specific performance of the terms hereof, in addition to any other remedy at law or in equity.

SECTION 9.08. Governing Law. Except to the extent that Delaware Law applies to the Transactions, this Agreement shall be governed by, and construed in accordance with, the laws of the State of New York applicable to contracts executed in and to be performed entirely within that State.

SECTION 9.09. Headings. The descriptive headings contained in this Agreement are included for convenience of reference only and shall not affect in any way the meaning or interpretation of this Agreement.

SECTION 9.10. Counterparts. This Agreement may be executed in one or more counterparts, and by the different parties hereto in separate counterparts, each of which when executed shall be deemed to be an original but all of which taken together shall constitute one and the same agreement.

IN WITNESS WHEREOF, Parent, Purchaser and the Company have caused this Agreement to be executed as of the date first written above by their respective officers thereunto duly authorized.

THOMSON U.S. HOLDINGS INC.

By /s/ Nigel R. Harrison
Name: Nigel R. Harrison
Title: Executive Vice President

SCS SUBSIDIARY, INC.

By /s/ Nigel R. Harrison
Name: Nigel R. Harrison
Title: Treasurer

SCS/COMPUTE, INC.

By /s/ Robert W. Nolan, Sr.
Name: Robert W. Nolan, Sr.
Title: President

ANNEX A

Conditions to the Offer

Notwithstanding any other provision of the Offer, Purchaser shall not be required to accept for payment or pay for any Shares tendered pursuant to the Offer, and may terminate or amend the Offer and may postpone the acceptance for payment of and payment for Shares tendered, if (i) the Minimum Condition shall not have been satisfied, (ii) any applicable waiting period under the HSR Act shall not have expired or been terminated prior to the expiration of the Offer, or (iii) at any time on or after the date of this Agreement, and prior to the acceptance for payment of Shares, any of the following conditions shall exist:

(a) there shall have been instituted or be pending any action or proceeding before any court or governmental, administrative or regulatory authority or agency, domestic or foreign, (i) challenging or seeking to make illegal, materially delay or otherwise directly or indirectly restrain or prohibit or make materially more costly the making of the Offer, the acceptance for payment of, or payment for, any Shares by Parent, Purchaser or any other affiliate of Parent or the consummation of any other Transaction, or seeking to obtain material damages in connection with any Transaction; (ii) seeking to prohibit or limit materially the ownership or operation by the Company, Parent or any of its subsidiaries of all or any material portion of the business or assets of the Company, Parent or any of its subsidiaries, or to compel the Company, Parent or any of its subsidiaries to dispose of or hold separate all or any material portion of the business or assets of the Company, Parent or any of its subsidiaries, as a result of the Transactions; (iii) seeking to impose limitations on the ability of Parent, Purchaser or any other affiliate of Parent to exercise effectively full rights of ownership of any Shares, including, without limitation, the right to vote any Shares acquired by Purchaser pursuant to the Offer, the Stock Purchase Agreement or otherwise on all matters properly presented to the Company's stockholders, including, without limitation, the approval and adoption of this Agreement and the transactions contemplated hereby; (iv) seeking to require divestiture by Parent, Purchaser or any other affiliate of Parent of any Shares; or (v) which otherwise has a Material Adverse Effect or which is reasonably likely to materially adversely affect the business, operations, properties, condition (financial or otherwise), assets or liabilities (including, without limitation, contingent liabilities) or prospects of Parent.

(b) there shall have been any action taken, or any statute, rule, regulation, legislation, interpretation, judgment, order or injunction enacted, entered, enforced, promulgated, amended, issued or deemed applicable to (i) Parent, the Company or any subsidiary or affiliate of Parent or the Company or (ii) any Transaction, by any legislative body, court, government or governmental, administrative or regulatory authority or agency, domestic or foreign, other than the routine application of the waiting period provisions of the HSR Act to the Offer, the Stock Purchase Agreement or the Merger, which is reasonably likely to result, directly or indirectly, in any of the consequences referred to in clauses (i) through (v) of paragraph (a) above;

(c) there shall have occurred any change, condition, event or development that, when taken together with all such other changes, conditions, events and developments, has a Material Adverse Effect with respect to the Company;

(d) (i) it shall have been publicly disclosed or Purchaser shall have otherwise learned that beneficial ownership (determined for the purposes of this paragraph as set forth in Rule 13d-3 promulgated under the Exchange Act) of 25% or more of the then outstanding Shares has been acquired by any person, other than

Parent or any of its affiliates or Mr. Robert W. Nolan, Sr. or (ii) (A) the Board or any committee thereof shall have withdrawn or modified in a manner adverse to Parent or Purchaser the approval or recommendation of the Offer, the Merger, this Agreement, or approved or recommended any takeover proposal or any other acquisition of Shares other than the Offer and the Merger or (B) the Board or any committee thereof shall have resolved to do any of the foregoing;

(e) any representation or warranty of the Company in this Agreement which is qualified as to materiality shall not be true and correct or any such representation or warranty that is not so qualified shall not be true and correct in any material respect, in each case as if such representation or warranty was made as of such time on or after the date of this Agreement;

(f) the Company shall have failed to perform in any material respect any obligation or to comply in any material respect with any agreement or covenant of the Company to be performed or complied with by it under this Agreement;

(g) this Agreement shall have been terminated in accordance with its terms; or

(h) Purchaser and the Company shall have agreed that Purchaser shall terminate the Offer or postpone the acceptance for payment of or payment for Shares thereunder;

which, in the reasonable judgment of Purchaser in any such case, and regardless of the circumstances (including any action or inaction by Parent or any of its affiliates) giving rise to any such condition, makes it inadvisable to proceed with such acceptance for payment or payment.

The foregoing conditions are for the sole benefit of Purchaser and Parent and may be asserted by Purchaser or Parent regardless of the circumstances giving rise to any such condition or may be waived by Purchaser or Parent in whole or in part at any time and from time to time in their sole discretion. The failure by Parent or Purchaser at any time to exercise any of the foregoing rights shall not be deemed a waiver of any such right; the waiver of any such right with respect to particular facts and other circumstances shall not be deemed a waiver with respect to any other facts and circumstances; and each such right shall be deemed an ongoing right that may be asserted at any time and from time to time.

STOCK PURCHASE AGREEMENT

among

THOMSON U.S. HOLDINGS INC.

SCS SUBSIDIARY, INC.

and

ROBERT W. NOLAN, SR.

Dated as of December 19, 1995

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MISCELLANEOUS

STOCK PURCHASE AGREEMENT (the "Agreement") dated as of December 19, 1995, among ROBERT W. NOLAN, SR. ("Seller"), THOMSON U.S. HOLDINGS INC. ("Parent"), a Delaware corporation, and SCS SUBSIDIARY, INC., a Delaware corporation (the "Purchaser").

WHEREAS, concurrently with the execution and delivery of this Agreement, Parent, the Purchaser and SCS/Compute, Inc., a Delaware corporation (the "Company") are entering into an Agreement and Plan of Merger (the "Merger Agreement") which provides, upon the terms and subject to the conditions thereof, for the acquisition of the Company by Parent through a cash tender offer by Purchaser (the "Offer") for all outstanding shares of Common Stock, par value $.10 per share (the "Common Stock") at a price of $ 6.75 per share net to the seller in cash, and, subsequent to consummation of the Offer and the transactions contemplated by this Agreement, the merger of Purchaser with and into the Company (the "Merger"), pursuant to which each issued and outstanding share of Company Common Stock not owned directly or indirectly by Parent, Purchaser or the Company will be converted into the right to receive the price per share paid in the Offer (the "Offer Price") in cash; and

WHEREAS, the Seller acknowledges and agrees that he has executed and delivered this Agreement in order to induce Parent and Purchaser to enter into the Merger Agreement;

WHEREAS, Seller is the beneficial and of record owner of 1,082,570 shares of Common Stock (the "Shares"); and

WHEREAS, Stockholder desires to sell to the Purchaser and the Purchaser desires to purchase from Seller, the Shares;

NOW, THEREFORE, in consideration of the premises and the covenants, agreements, representations and warranties herein contained, the parties agree as follows:

ARTICLE I
DEFINITIONS

SECTION 1.01 Certain Defined Terms. As used in this Agreement, the following terms shall have the following meanings:

(a) "Agreement" has the meaning set forth in the preamble.

(b) "Claims Notice" has the meaning set forth in Section 7.02(c).

(c) "Closing" has the meaning set forth in Section 2.02.

(d) "Closing Date" has the meaning set forth in Section 2.02.

(e) "Common Stock" has the meaning set forth in the recitals.

(f) "Company" has the meaning set forth in the recitals.

(g) "Department of Justice" means the Antitrust Division of the United States Department of Justice.

(h) "ERISA" means the Employee Retirement Income Security Act of 1974, as amended.

(i) "FTC" means the Federal Trade Commission.

(j) "HSR Act" means the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, and the rules and regulations promulgated thereunder.

(k) "Indemnified Person" has the meaning set forth in Section 7.02(c).

(l) "Indemnifying Party" has the meaning set forth in Section 7.02(c).

(m) "Internal Revenue Code" means the Internal Revenue Code of 1986, as amended.

(n) "Lien" means any security interest, lien (including tax lien), pledge, claim (other than a pending lawsuit), charge, escrow, encumbrance, option, forfeiture, penalty, restriction, right of first refusal, action in law or equity, community property right or other marital right, mortgage, security agreement, voting trust, transfer restriction under any shareholder agreement or similar agreement, arrangement, contract, commitment, understanding or obligation, whether or not relating in any way to credit or the borrowing of money.

(o) "Loss" means any expense (including reasonable attorneys' fees and disbursements), fine, penalty, loss, claim, damage, liability, suit, deficiency, judgment or amount paid in settlement, including, without limitation, any thereof in connection with any threatened, pending or completed claim, dispute, suit, proceeding or investigation (whether civil, criminal, administrative, investigative or otherwise).

(p) "Material Adverse Effect", when used in connection with any party to this Agreement, means any change or effect that, when taken together with all other adverse changes and effects that are within the scope of the representations and warranties made by such party in this Agreement is, or is reasonably likely to be materially adverse to the business, operations, properties, condition (financial or otherwise), assets or liabilities (including, without limitation, contingent liabilities) or prospects of that party.

(q) "Merger Agreement" has the meaning set forth in the recitals.

(r) "Offer" has the meaning set forth in the preamble.

(s) "Parent" has the meaning set forth in the preamble.

(t) "Person" means any corporation, partnership, person or other entity or group.

(u) "Purchaser" has the meaning set forth in the preamble.

(v) "SEC" means the Securities and Exchange Commission.

(w) "Seller" has the meaning set forth in the preamble.

(x) "Shares" has the meaning set forth in the recitals.

(y) "Tax" or "Taxes" means all income, gross receipts, sales, ad valorem, use, employment, franchise, profits, environmental, recording, property, excise, gains or other taxes, fees, stamp taxes and duties, assessments or charges of any kind whatsoever (whether payable directly or by withholding), together with any interest and any penalties, additions to tax or additional amounts imposed by any taxing authority with respect thereto.

(z) "1934 Act" means the Securities Exchange Act of 1934, as amended.

(aa) "1933 Act" means the Securities Act of 1933, as amended.

(bb) "Transactions" means all of the transactions provided for under this Agreement.

SECTION 1.02 Adjustments upon Changes in Capitalization. For all purposes of this Agreement, "the Shares" shall mean and include a share of Common Stock in the form existing on the date hereof and all securities or property (excluding regular quarterly cash dividends) issued or exchanged with respect thereto from and after the date of this Agreement upon any reorganization, recapitalization, reclassification, merger, consolidation, spin-off, partial or complete liquidation, stock dividend, split-up, sale of assets, distribution to stockholders or combination of the Company's capital stock or any other similar change in its capital structure. In the event of any such change in the number of shares of Common Shares, the number and kind of Shares shall be appropriately adjusted to restore to the Purchaser its rights and privileges hereunder. The rights of Purchaser under this Section 1.02 shall be in addition to, and shall in no way limit, its rights against the Company for breach by the Company of the Merger Agreement.

ARTICLE II
PURCHASE AND SALE

SECTION 2.01 Purchase and Sale. Upon the terms and subject to the conditions set forth in this Agreement, Seller agrees to sell and deliver to the Purchaser, and the Purchaser agrees to purchase from Seller, the Shares. The purchase price for each of the Shares shall be equal to $ 6.75 (or, if higher, the highest price paid for any share of Company Common Stock by Parent or any of its Affiliates pursuant to the Offer).

SECTION 2.02 Closing. Subject to the terms and conditions of this Agreement, the sales and purchases of the Shares contemplated hereby will take place at a closing (the "Closing") at the offices of Shearman & Sterling, 599 Lexington Avenue, New York, New York 10022 at 10:00 A.M., New York City time, on January 31, 1996, or at such other time or on such other date as to which the parties may agree. The time and date upon which the Closing occurs are herein called the "Closing Date". The parties hereto agree that in the event that the Purchaser shall purchase Common Stock pursuant to the Offer, the Closing shall take place, subject to the terms and conditions hereof, immediately after the expiration of the Offer.

SECTION 2.03 Closing Deliveries by Seller. At the Closing, Seller will deliver or cause to be delivered to the Purchaser:

(a) stock certificates evidencing the Shares, duly endorsed in blank or accompanied by stock powers duly executed in blank, in form satisfactory to the Purchaser and with all required stock transfer tax stamps affixed; and

(b) a certificate signed by Seller stating that, (i) the representations and warranties of Seller contained in this Agreement are true and correct in all material respects as of the Closing, with the same force and effect as if made as of the Closing and (ii) the covenants and agreements contained in this Agreement to be complied with by Seller at or prior to the Closing shall have been complied with.

SECTION 2.04 Closing Deliveries by the Purchaser. At the Closing, the Purchaser will deliver or cause to be delivered to Seller:

(a) the aggregate purchase price payable pursuant to Section 2.01, by check or wire transfer, in immediately available funds; and

(b) a certificate of the Purchaser signed by a duly authorized officer of the Purchaser stating that (i) the representations and warranties of the Purchaser contained

in this Agreement shall be true and correct in all material respects as of the Closing, with the same force and effect as if made as of the Closing except where the failure to be so true and correct would not have a material adverse effect of the ability of the Purchaser to consummate the transactions contemplated by this Agreement (the "Transactions"), and (ii) the covenants and agreements contained in this Agreement to be complied with by the Purchaser at or prior to the Closing shall have been complied with in all material respects except where the failure to so comply would not have a material adverse effect on the ability of the Purchaser to consummate the Transactions.

ARTICLE III
REPRESENTATIONS AND WARRANTIES OF SELLER AS TO THE COMPANY

Seller represents and warrants to Parent and the Purchaser as follows:

SECTION 3.01 Title to Stock. Except as set forth on Schedule 3.01, Seller is the lawful owner (both beneficially and of record) of the Shares and Seller has good and valid title to such Shares. At the Closing, Seller will be the lawful owner (both beneficially and of record) of the Shares and will have good and valid title to such Shares and will have the right, power and capacity to sell, assign, transfer and deliver the same to the Purchaser pursuant to this Agreement, free and clear of all Liens. Upon delivery of the Shares to the Purchaser as provided in Article II, the Purchaser will have good and valid title to and ownership of the Shares, free and clear of all Liens, and such capital stock will be fully paid and nonassessable.

SECTION 3.02 Authority Relative to this Agreement. Seller has the full right, capacity and power to execute and deliver this Agreement, to perform his obligations hereunder and to consummate the Transactions. This Agreement has been duly and validly executed and delivered by Seller and, assuming the due authorization, execution and delivery by Parent and the Purchaser, constitutes a legal, valid and binding obligation of Seller enforceable against Seller in accordance with its terms, except as enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or other laws affecting creditors' rights generally (including, without limitation, the effect of statutory and other law regarding fraudulent conveyances, fraudulent transfers and preferential transfers), as may be limited by the exercise of judicial discretion and the application of principles of equity including, without limitation, requirements of good faith, fair dealing, conscionability and materiality (regardless of whether considered in a proceeding in equity or at law) and that the remedy of specific performance and injunctive and other forms of equitable relief may be subject to equitable defenses and to the discretion of the Court before which any proceeding therefor may be brought.

SECTION 3.03 No Conflict; Required Filings and Consents. (a) The execution and delivery of this Agreement by Seller do not, and the performance of this Agreement by Seller will not, conflict with or violate any law, rule, regulation, order, judgment or decree applicable to Seller.

(b) The execution and delivery of the Agreement by Seller do not, and the performance of this Agreement by Seller will not, require any consent, approval, authorization or permit of, or filing with or notification to, any governmental or regulatory authority, domestic or foreign, except for (i) filing the pre-merger notification and report forms with respect to the transactions contemplated by this Agreement under the HSR Act, (ii) filings required to be made with the SEC pursuant to the rules and regulations of the 1934 Act and applicable state takeover laws, or (iii) filings with the Nasdaq Small Cap Market or the National Association of Securities Dealers, Inc.

SECTION 3.04 Compliance. Seller is not in default or violation of, any law, rule, regulation, order, judgment or decree applicable to Seller that would materially impair the ability or obligation of Seller to perform fully on a timely basis his obligations under this

Agreement.

SECTION 3.05 Absence of Litigation. There is no claim, action, proceeding or investigation pending or, to the best knowledge of Seller, threatened against, relating to or affecting Seller, the Company, or any of their respective properties or rights, before any court, arbitrator or administrative, governmental or regulatory authority or body, domestic or foreign that, if determined adversely to Seller or the Company, would materially impair the ability or obligation of Seller to perform fully on a timely basis his obligations under this Agreement.

SECTION 3.06 No Brokers. No broker, finder or investment banker is entitled to any brokerage, finder's or other fee or commission in connection with the transactions contemplated by this Agreement based on arrangements made by and on behalf of Seller.

SECTION 3.07 Merger Agreement. All the representations and warranties set forth in Article III of the Merger Agreement are true, complete and correct.

ARTICLE IV
REPRESENTATIONS AND WARRANTIES OF PARENT AND THE PURCHASER

Parent and the Purchaser, jointly and severally, represent and warrant to Seller as follows:

SECTION 4.01 Corporate Organization. Each of Parent and the Purchaser is a corporation duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization.

SECTION 4.02 Authority Relative to this Agreement. Each of Parent and the Purchaser has all necessary corporate power and authority to execute and deliver this Agreement, to perform its obligations hereunder and to consummate the Transactions. The execution and delivery of this Agreement by Parent and the Purchaser and the consummation by Parent and the Purchaser of the Transactions have been duly and validly authorized by all necessary corporate action on the part of Parent and the Purchaser and no other corporate proceedings on the part of Parent or the Purchaser are necessary to authorize this Agreement or to consummate the Transactions. This Agreement has been duly and validly executed and delivered by Parent and the Purchaser and, assuming the due authorization, execution and delivery by Seller, constitutes a legal, valid and binding obligation of each of Parent and the Purchaser enforceable against each of Parent and the Purchaser in accordance with its terms, except as enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or other laws affecting creditors' rights generally (including, without limitation, the effect of statutory and other law regarding fraudulent conveyances, fraudulent transfers and preferential transfers), as may be limited by the exercise of judicial discretion and the application of principles of equity including, without limitation, requirements of good faith, fair dealing, conscionability and materiality (regardless of whether considered in a proceeding in equity or at law) and that the remedy of specific performance and injunctive and other forms of equitable relief may be subject to equitable defenses and to the discretion of the court before which any proceedings therefor may be brought.

SECTION 4.03 No Conflict; Required Filings and Consents. (a) The execution and delivery of this Agreement by Parent and the Purchaser do not, and the performance of this Agreement by Parent and the Purchaser will not, at the time of closing, (i) conflict with or violate the Certificate of Incorporation or By-laws of either Parent or the Purchaser, (ii) conflict with or violate any law, rule, regulation, order, judgment or decree applicable to Parent or the Purchaser or by which any property or asset of either of them is bound or affected, or (iii) result in any breach of or constitute a default (or an event which with notice or lapse of time or both would become a default) under, or give to others any rights of termination, amendment, acceleration or cancellation of, or result in the creation of a lien or other encumbrance on any property or asset of Parent or the Purchaser pursuant to, any note, bond, mortgage, indenture, contract, agreement, lease, license, permit, franchise

or other instrument or obligation to which Parent or the Purchaser is a party or by which Parent or the Purchaser or any property or asset of either of them is bound or affected, except for any such conflicts, violations, breaches, defaults or other occurrences which would not, individually or in the aggregate, prevent Parent or the Purchaser from performing their respective obligations under this Agreement.

(b) The execution and delivery of this Agreement by Parent and the Purchaser do not and the performance of this Agreement by Parent and the Purchaser will not, require any consent, approval, authorization or permit of, or filing with or notification to, any governmental or regulatory authority to be obtained or made by Parent or the Purchaser, domestic or foreign, except (i) for applicable requirements, if any, of the Exchange Act, Blue Sky Laws and state takeover laws and the HSR Act (ii) filings with the Nasdaq Small Cap Market and the NASD filings required under the laws of foreign jurisdictions and (iii) where failure to obtain such consents, approvals, authorizations or permits, or to make such filings or notifications, would not prevent or delay consummation of the Transactions, or otherwise prevent Parent or the Purchaser from performing their respective obligations under this Agreement.

SECTION 4.04 Investment Intent. The Purchaser will acquire the Shares for investment purposes only and not with a view to any resale or distribution thereof and will not sell any Shares purchased pursuant to this Agreement except in compliance with applicable federal and state securities laws.

SECTION 4.05 Absence of Litigation. There is no claim, action, proceeding or investigation pending or, to the best knowledge of the Parent or the Purchaser, threatened against the Parent or the Purchaser or any property or asset of the Parent or the Purchaser before any court, arbitrator or administrative, governmental or regulatory authority or body, domestic or foreign that, if determined adversely to Parent or the Purchaser, would materially impair the ability of Parent or the Purchaser to perform fully on a timely basis their respective obligations under this Agreement. As of the date hereof, neither the Parent nor the Purchaser is subject to any order, writ, judgment, injunction, decree, determination or award that if determined adversely to Parent or the Purchaser, would materially impair the ability of Parent or the Purchaser to perform fully on a timely basis their respective obligations under this Agreement.

SECTION 4.06 No Brokers. No broker, finder or investment banker is entitled to any brokerage, finder's or other fee or commission in connection with the transactions contemplated by this Agreement and the Merger Agreement based on arrangements made by and on behalf of the Purchaser.

ARTICLE V
COVENANTS

SECTION 5.01 Irrevocable Proxy. Seller hereby irrevocably appoints Purchaser, with full power of substitution and resubstitution, as Seller's agent, attorney and proxy, during the term of this Agreement, to vote, or give consents with respect to, all of the Shares owned by Seller in favor of the Merger Agreement and the transactions contemplated thereby and against (a) any other proposal for the acquisition of the Company or its assets or a merger or other business combination of the Company with any third party or (b) any other proposal that would, or is reasonably likely to, result in any of the conditions to Purchaser's obligations under this Agreement not being fulfilled. Seller intends this proxy to be irrevocable and coupled with an interest. Seller hereby revokes any proxy previously granted with respect to Seller's Shares. Seller's proxy granted pursuant to this Section 5.01 shall terminate and be revoked upon any termination of this Agreement in accordance with its terms.

SECTION 5.02 Merger Agreement. Seller shall not, in his capacity as stockholder of the Company, take any action or omit to take any action that is inconsistent with compliance by the Company with the terms of the Merger Agreement in all respects.

From the date hereof through the Closing Date, Seller shall use his reasonable best efforts to cause (i) the Company to fulfill all of its obligations under the Merger Agreement and (ii) the representations and warranties contained in Article III of the Merger Agreement to continue to be true and correct in all material respects on and as of the Closing Date as if made on and as of the Closing Date. Seller shall promptly notify, or cause to be notified, the Purchaser of any event, condition or circumstance occurring from the date hereof through the Closing Date that would constitute a violation or breach of this Agreement or of the Merger Agreement.

SECTION 5.03 Standstill, Etc. From the date hereof to the Closing Date, Seller covenants and agrees that, without the prior written consent of the Purchaser, he will not (i) sell, tender pursuant to the Offer or any other tender offer, pledge, encumber, assign, transfer, exchange or otherwise dispose of, or enter into any contract, option or other arrangement or understanding with respect to the sale, tender, pledge, encumbrance, assignment, transfer, exchange or disposition of, any of the Shares; (ii) acquire any additional shares of Company Common Stock or warrants, options or other rights to purchase any shares of Company Common Stock; or (iii) grant any proxies (other than pursuant to Section 5.01) with respect to the Shares, deposit any Shares into a voting trust or enter into a voting agreement with respect to any Shares.

SECTION 5.04 No Solicitation. From the date hereof to the Closing Date, Seller shall not, directly or indirectly, solicit, initiate or encourage any discussions of, or submission of proposals or offers from any person, relating to any acquisition or purchase of all or (other than in the ordinary course of business) a portion of the assets of, or any equity interest in, the Company or any of its subsidiaries or any business combination with the Company or any of its subsidiaries, or participate in any negotiations regarding, or furnish to any other Person any information with respect to, or otherwise cooperate in any way with, or assist or participate in, facilitate or encourage, any effort or attempt by any other person to do or seek any of the foregoing. Seller shall immediately cease and cause to be terminated any existing discussions or negotiations with any parties conducted heretofore with respect to any of the foregoing and shall promptly notify the Purchaser if any such proposal or offer, or any inquiry or contact with any Person with respect thereto, is made and shall, in any such notice to the Purchaser, indicate in reasonable detail the identity of the offeror and the terms and conditions of any proposal.

SECTION 5.05 Filings; Consents. (a) Seller, Parent and the Purchaser will promptly file, or cause to be filed, with the FTC and the Department of Justice, pursuant to the HSR Act, all requisite documents and notifications in connection with the sale of the Shares pursuant to this Agreement. Each of Parent and the Purchaser will make or cause to be made all such other filings and submissions, if any, under laws and regulations applicable to Parent and the Purchaser as may be required of each of them for the consummation of the purchase of the Shares pursuant to this Agreement. Seller will make or cause to be made all such other filings and submissions under laws and regulations applicable to Seller, if any, as may be required of Seller for the consummation of the sale of the Shares pursuant to this Agreement. Each of the parties hereto agrees that it will coordinate and cooperate with the other parties hereto in exchanging such information and providing such reasonable assistance as may be requested in connection with all of the foregoing.

(b) Parent, the Purchaser and Seller will use their respective reasonable best efforts to obtain, prior to the Closing, all consents and approvals which are necessary to the consummation of the Transactions.

SECTION 5.06 Public Announcements. Seller, Parent and the Purchaser will consult with each other before issuing any press releases or otherwise making any public statements with respect to this Agreement and the Merger Agreement and the transactions contemplated hereby and thereby, and shall not issue any such press release or make any such public statement prior to such consultation, except as may be required by law or any listing agreement with a national securities exchange.

SECTION 5.07 Sales and Transfer Taxes. Seller shall pay any stock transfer

taxes and any real property gains and transfer taxes relating to the sale, acquisition, conveyance, transfer and delivery of the Shares that are sold to the Purchaser hereunder. The Purchaser and Seller shall cooperate with respect to the filing of any returns, reports or other filings due in connection with such Taxes.

SECTION 5.08 Guaranty by Parent. In consideration of the covenants, agreements and undertakings of Seller contained in this Agreement, Parent hereby guarantees to Seller, and his successors and assigns, the full, prompt and complete payment and performance by the Purchaser of all of the covenants, conditions and agreements of the Purchaser contained in this Agreement. Parent hereby waives all notice of default by the Purchaser or notice of acceptance of this Agreement by Seller, and consents to any extension that may be given by Seller to the Purchaser of time of payment or performance. This guarantee shall be construed as a continuing absolute and unconditional guarantee of payment and performance and not as a guarantee of collection.

SECTION 5.09 Waiver of Appraisal Rights. Seller hereby waives any right he may have to demand appraisal pursuant to Section 262 of the Delaware General Corporation Law in connection with the Merger.

SECTION 5.10 Further Assurances. At any time and from time to time for a reasonable period of time after the Closing, at the Purchaser's reasonable request, Seller will duly execute, acknowledge and deliver all such further and other assurances and documents, and will take such other action consistent with the terms of this Agreement, at Seller's expense, for the purpose of better assigning, transferring and conveying to the Purchaser, or reducing to the Purchaser's possession, any or all of the Shares.

ARTICLE VI
CONDITIONS TO CLOSING

SECTION 6.01 Conditions to the Obligations of Seller. The obligations of Seller to consummate the purchase and sale contemplated by this Agreement shall be subject to the fulfillment, at or prior to the Closing, of each of the following conditions, any one or more of which may be waived by Seller:

(a) Representations and Warranties; Covenants. All representations and warranties of Parent and the Purchaser contained in this Agreement shall be true and correct on and as of the Closing Date (except for those representations and warranties made as of a certain date, in which case, as of that date), with the same force and effect as if made on and as of the Closing Date (except for those representations and warranties made as of a certain date, in which case, as of that date), except where the failure of any representations or warranties to be true and correct would not, either individually or in the aggregate, materially impair the ability or obligation of Parent and Purchaser to perform fully on a timely basis their respective obligations under this Agreement, and all material covenants contained in this Agreement to be complied with by Parent and the Purchaser on or before the Closing Date shall have been complied with in all material respects.

(b) HSR Act. Any waiting period (and any extension thereof) under the HSR Act applicable to the purchase of the Shares contemplated hereby shall have expired or been terminated.

(c) No Order. No United States, state or foreign governmental authority or other agency or commission or United States or state court of competent jurisdiction shall have enacted, issued, promulgated, enforced or entered any statute, rule, regulation, injunction or other order (whether temporary, preliminary or permanent) which is in effect and has the effect of making the acquisition of the Shares illegal or otherwise prohibiting consummation of the Transactions.

(d) The Merger Agreement. The Merger Agreement shall not have been

terminated, prior to the acceptance for payment by Purchaser of any shares of Company Common Stock pursuant to the Offer, by the Company as a result of a material breach by Parent or Purchaser of its respective obligations under the Merger Agreement.

SECTION 6.02 Conditions to Obligations of Parent and the Purchaser. The obligations of Parent and the Purchaser to consummate the purchases and sales contemplated by this Agreement shall be subject to the fulfillment, at or prior to the Closing, of each of the following conditions, any one or more of which may be waived by them:

(a) Representations and Warranties; Covenants. All representations and warranties of Seller contained in this Agreement shall be true and correct in all respects as of the Closing Date (except for those representations and warranties made as of a certain date, in which case, as of that date), with the same force and effect as if made as of the Closing Date (except for those representations and warranties made as of a certain date, in which case, as of that date), except where the failure of any representations or warranties to be true and correct would not, either individually or in the aggregate, have a Material Adverse Effect on the Company and all material covenants contained in this Agreement to be complied with by Seller on or before the Closing Date shall have been complied with in all material respects.

(b) HSR Act. Any waiting period (and any extension thereof) under the HSR Act applicable to the purchase of the Shares contemplated hereby shall have expired or been terminated.

(c) No Order. No United States, state or foreign governmental authority or other agency or commission or United States or state court of competent jurisdiction shall have enacted, issued, promulgated, enforced or entered any statute, rule, regulation, injunction or other order (whether temporary, preliminary or permanent) which is in effect and has the effect of making the acquisition of Shares illegal or otherwise prohibiting consummation of the Transactions.

(d) No Material Adverse Effect. No event or events shall have occurred, or be reasonably likely to occur, which, individually or in the aggregate, have, or could reasonably be expected to have, a Material Adverse Effect on the Company.

(e) Key Employee; Employment Agreement. Seller shall have continued to be employed as Chief Executive Officer of the Company with duties and responsibilities comparable to the duties and responsibilities he has performed in the past and shall have executed and delivered to the Company the Employment Agreement substantially in the form attached hereto as Exhibit A.

(f) Conditions to Offer. All conditions to Purchaser's obligation to accept for payment shares of Company Common Stock tendered pursuant to the Offer shall have been satisfied.

ARTICLE VII
INDEMNIFICATION

SECTION 7.01 Survival. Subject to the limitations and other provisions of this Agreement, the representations and warranties of the parties hereto contained herein shall survive the Closing and shall remain in full force and effect, regardless of any investigation made by or on behalf of any of the parties hereto, for a period of two years after the Closing Date, except for the representations and warranties contained in Sections 3.01 and 3.02, which shall survive the Closing Date without limitation. Neither the period of survival nor the liability of Seller with respect to Seller's representations and warranties shall be reduced by any investigation made at any time by or on behalf of the Purchaser or Parent. If written notice of a claim has been given prior to the expiration of the applicable representations and

warranties by the Purchaser or Parent to Seller, then the relevant representations and warranties shall survive as to such claim, until such claim has been finally resolved. The covenants and agreements of the parties hereto shall survive the Closing and shall remain in full force and effect, regardless of any investigation of any of the parties hereto.

SECTION 7.02 Indemnification. (a) Subject to the other terms and conditions of this Agreement and as an adjustment to purchase price, Seller agrees to indemnify Parent and any subsidiary or affiliate thereof, whether now or thereafter such a subsidiary or affiliate, and any director, officer or employee of any thereof against and hold each of them harmless from all Losses arising out of the breach of any representation or warranty of Seller, or any covenant or agreement of Seller herein. Anything in Section 7.01 to the contrary notwithstanding, no claim may be asserted nor may any action be commenced against Seller for breach of any representation or warranty, unless notice of such claim or action is received by Seller describing in reasonable detail the facts and circumstances with respect to the subject matter of such claim or action on or prior to the date on which the statute of limitations with respect to such representation or warranty expires.

(b) Subject to the other terms and conditions of this Agreement, Parent and the Purchaser agree, jointly and severally, to indemnify Seller against and hold Seller harmless from all Losses arising out of the breach of any representation or warranty in Section 4.04 or 4.06 or any covenant or agreement of Parent and the Purchaser herein. Anything in Section 7.01 to the contrary notwithstanding, no claim may be asserted nor may any action be commenced against Parent or the Purchaser for breach of any representation or warranty unless notice of such claim or action is received by Parent or the Purchaser describing the facts and circumstances with respect to the subject matter of such claim or action on or prior to the date on which the statute of limitations with respect to such representation or warranty expires.

(c) Promptly after receipt by any party hereto (the "Indemnified Person") of notice of any demand, claim or circumstances which, with lapse of time, would or might give rise to a claim or the commencement (or threatened commencement) of any action, proceeding or investigation that may result in a Loss, the Indemnified Person shall give notice thereof (the "Claims Notice") to any party or parties obligated to provide indemnification pursuant to this Section 7.02 (the "Indemnifying Party"). The Claims Notice shall describe such threatened claim or demand in reasonable detail, and shall indicate the amount (estimated, if necessary) of the Loss that has been or may be suffered by the Indemnified Person. The Indemnifying Party shall have the right to direct, through counsel of its own choosing, the defense or settlement of any such claim or proceeding at its own expense. If the Indemnifying Party elects to assume the defense of any such claim, the Indemnified Person may participate in such defense, but in such case the expenses of the Indemnified Person shall be paid by the Indemnified Person; provided, however, that if there exists or is reasonably likely to exist a conflict of interest that would make it inappropriate in the judgment of the Indemnified Person, in its sole and absolute discretion, for the same counsel to represent both the Indemnified Person and the Indemnitor, then the Indemnified Person shall be entitled to retain its own counsel, in each jurisdiction for which the Indemnified Person determines counsel is required, at the expense of the Indemnitor. Such Indemnified Person shall cooperate with the Indemnifying Party in the defense or settlement thereof, and shall make available to the Indemnifying Party any documents or other papers within its control that are necessary or appropriate for such defense, and the Indemnifying Party shall reimburse the Indemnified Person for all its reasonable out-of-pocket expenses in connection therewith. If the Indemnifying Party elects to direct the defense of any such claim, the Indemnified Person shall not pay, or permit to be paid, any part of any claim arising from such asserted liability unless the Indemnifying Party consents in writing to such payment or unless the Indemnifying Party, subject to the last sentence of this Section 7.02(c), withdraws from the defense of such asserted liability or unless a final judgment from which no appeal may be taken by or on behalf of the Indemnifying Party is entered against the Indemnified Person for such liability. If the Indemnifying Party shall fail to defend, or if after commencing or undertaking any such defense fails to prosecute or withdraws from such defense, the Indemnified Person shall have the right to undertake the defense or settlement thereof, at the Indemnifying Party's expense. If the Indemnified Person assumes the defense of any such claim or proceeding pursuant to this Section 7.02(c) and proposes to settle such

claim or proceeding prior to a final judgment thereon or to forego appeal with respect thereto, then the Indemnified Person shall give the Indemnifying Party prompt notice thereof and the Indemnifying Party shall have the right to participate in the settlement or assume or reassume the defense of such claim or proceeding.

(d) Without limiting any other remedy available to any Indemnified Person, each Indemnified Person that shall have suffered a Loss as to which it shall be entitled to indemnification, shall be entitled to satisfy, either in whole or in part, such right to indemnification by setting off or recouping the amount of such Loss, or any portion thereof, against any obligation that any Indemnified Person or any affiliate thereof shall have to pay money to Seller, including, without limitation, any amounts owed by Parent or the Purchaser to Seller pursuant to any employment contract of Seller.

SECTION 7.03 Limitations on Indemnification. (a) Notwithstanding any provision to the contrary contained in this Agreement, the indemnifications in favor of the Purchaser and Parent contained in Section 7.02(a) herein shall not be effective until the aggregate dollar amount of all Losses indemnified against under such section exceeds $100,000; provided, however, that the maximum amount of indemnifiable Losses which may be recovered from Seller arising out of or resulting from the causes enumerated in this Article VII shall be an amount equal to $2,000,000 with respect to any Losses in connection with a breach of the representation and warranty set forth in Section 3.07 and the aggregate purchase price paid to Seller pursuant to Section 2.01 with respect to all other Losses.

(b) Notwithstanding any provision to the contrary contained in this Agreement, the indemnifications in favor of the Seller contained in Section 7.02(b) herein shall not be effective until the aggregate dollar amount of all Losses indemnified against under such section exceeds $100,000; provided, however, that the maximum amount of indemnifiable Losses which may be recovered from the Purchaser and Parent arising out of or resulting from the causes enumerated in this Article VII shall be an amount equal to the aggregate purchase price paid to Seller pursuant to Section 2.01 with respect to all Losses.

(c) To the extent that an indemnification obligation pursuant to one of the provisions of Section 7.02 herein overlaps with an indemnification obligation pursuant to any

other provision of Section 7.02 herein or any other provision of this Agreement, the party seeking such indemnification shall be entitled to only one of such indemnification payments.

ARTICLE VIII
TERMINATION, AMENDMENT AND WAIVER

SECTION 8.01 Termination. This Agreement may be terminated at any time prior to the Closing:

(a) By the mutual written consent of Seller and the Purchaser;

(b) By either party, if the Closing shall not have occurred by March 31, 1996; provided, however, that the right to terminate this Agreement under this Section 8.01(b) shall not be available to any party whose failure to fulfill any obligation under this Agreement shall have been the cause of, or shall have resulted in, the failure of the Closing to occur on or prior to such date;

(c) By the Purchaser if, between the date hereof and the time scheduled for the Closing: (i) an event or condition occurs that has resulted in or that may be expected to result in a Material Adverse Effect on the Company, (ii) any material representation or warranty of Seller contained in this Agreement shall not have been true and correct when made or deemed made, (iii) Seller shall not have complied with any material covenant or agreement to be complied with by it and contained in this Agreement; or (iv) Seller, the Company or any Subsidiary makes a general assignment for the benefit of creditors, or any proceeding shall be instituted by or against Seller, the Company or any Subsidiary seeking to adjudicate any of them a bankrupt or insolvent, or seeking liquidation, winding up or reorganization, arrangement, adjustment, protection, relief or composition of its debts under any Law relating to bankruptcy, insolvency or reorganization;

(d) by Seller if, prior to the acceptance for purchase by Purchaser of any shares of Company Common Stock pursuant to the Offer, the Company shall terminate the Merger Agreement as a result of a material breach by Parent or Purchaser of its respective obligations thereunder; or

(e) by Parent and Purchaser upon termination of the Offer or the Merger Agreement in accordance with the terms thereof for any reason other than a material breach by Parent or Purchaser of their respective obligations thereunder.

SECTION 8.02 Effect of Termination. In the event of termination of this Agreement as provided in Section 8.01, this Agreement shall forthwith become void and there shall be no liability on the part of any party hereto, except (a) as set forth in Section 9.04 and (b) nothing herein shall relieve either party from liability for any breach hereof.

SECTION 8.03 Amendment. This Agreement may not be amended or modified except by an instrument in writing signed by Seller, Parent and the Purchaser.

SECTION 8.04 Waiver. At any time prior to the Closing, any party hereto may (a) waive any inaccuracies in the representations and warranties of the other party contained herein or in any document delivered pursuant hereto and (b) waive compliance by the other party with any of the agreements or conditions contained herein. Any such waiver shall be valid if set forth in an instrument in writing signed by the party to be bound thereby.

ARTICLE IX
MISCELLANEOUS

SECTION 9.01 Notices. Any notice or other communication required or permitted hereunder shall be in writing, and shall be delivered personally, telegraphed,

telexed, sent by facsimile transmission or sent by certified, registered or express mail, postage prepaid. Any such notice shall be deemed to have been given when so telegraphed, telexed or, if sent by facsimile transmission, answerback received, or if mailed, two days after deposit in the United States mails, or if personally delivered, addressed to the parties as follows:

Parent or the Purchaser:

Thomson U.S. Holdings Inc.
c/o The Thomson Corporation
Metro Center at One Station Place
Stamford, Connecticut 06902
Attention: General Counsel
Telecopier: (203) 348-5718

With a copy to:

Research Institute of America
90 Fifth Avenue
New York, New York 10011
Attention: Euan C. Menzies
Telecopier: (212) 377-4277

And a copy to:

Shearman & Sterling
599 Lexington Avenue
New York, New York 10022
Attention: David W. Heleniak, Esq.
Telecopier: (212) 848-7179

Seller:

Robert W. Nolan, Sr.
2252 Welsch Industrial Court
St. Louis, Missouri 63146
Telecopier: (314) 432-7308

With a copy to:

Peper, Martin, Jensen, Maichel and Hetlage
720 Olive Street, 24th Floor
St. Louis, Missouri 63101
Telecopier: (314) 621-4834
Attention: John R. Short, Esq.

Any party may change its above address and attorney for notices upon written notice to the other parties in accordance with this Section 9.01.

SECTION 9.02 Assignment. All terms of this Agreement shall be binding upon, and inure to the benefit of, the parties hereto and their respective legal representatives, successors, heirs and assigns. This Agreement, however, may not be assigned by any party without the prior written consent of the other parties.

SECTION 9.03 Entire Agreement; Headings. This Agreement and the Merger Agreement constitute the entire agreement between the parties hereto with respect to the transactions contemplated hereby and shall supersede and cancel all prior and contemporaneous agreements, whether written or oral, between such parties dealing with the subject matter hereof. Section and paragraph headings are not to be considered part of this Agreement and are included solely for convenience and are not intended to be full or accurate descriptions of the contents

thereof.

SECTION 9.04 Fees and Expenses. All costs and expenses incurred in connection with this Agreement (i) by Parent and the Purchaser shall be paid by Parent and the Purchaser and (ii) by Seller shall be paid by the Company, whether or not the transactions contemplated hereby are consummated.

SECTION 9.05 Equitable Relief; Preservation of Remedies. If either Seller on the one hand, or the Purchaser on the other hand, commits a breach, or threatens to commit a breach, of its obligations to consummate the transactions provided for herein, the other party shall have the right and remedy to have the provisions of this Agreement specifically enforced by any court having equity jurisdiction, it being acknowledged and agreed that any such breach or threatened breach will cause irreparable injury to Seller on the one hand, and the Purchaser on the other, and that money damages will not provide an adequate remedy to the other party.

SECTION 9.06 No Third-Party Beneficiaries. Nothing in this Agreement shall confer any rights upon any person who or entity which is not a party or an assignee of a party to this Agreement.

SECTION 9.07 Counterparts. This Agreement may be signed in any number of counterparts with the same effect as if the signatures to each counterpart were upon a single instrument, and all such counterparts together shall be deemed an original of this Agreement.

SECTION 9.08 Severability. If any provision of this Agreement, or the application of any such provision to any person or circumstance, shall be held invalid by a court of competent jurisdiction, the remainder of this Agreement, or the application of such provision to persons or circumstances other than those as to which it is held invalid, shall not be affected thereby.

SECTION 9.09 Consent to Jurisdiction. Seller, Parent and the Purchaser each hereby irrevocably and unconditionally:

(a) Submits itself in any legal action or proceeding relating to this Agreement, or for recognition and enforcement of any judgment in respect hereof, to the non- exclusive jurisdiction of the courts of the State of New York located in the City of New York and the courts of the United States of America for the Southern District of New York, and Appellate courts from any thereof, and consents and agrees to such action or proceeding being brought in such courts;

(b) Confirms that its obligations hereunder are wholly commercial in nature, waives and agrees not to assert, by way of motion, as a defense, or otherwise, in any suit, action or proceeding relating to this Agreement or any claim that it is not personally subject to the jurisdiction of the courts named in paragraph (a) above;

(c) Waives any objection that it may now or hereafter have to the venue of any such action or proceeding in any such court or that such action or proceeding was brought in an inconvenient court and agrees not to plead or claim the same;

SECTION 9.10 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of New York applicable to contracts made and to be performed wholly within such State.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

THOMSON U.S. HOLDINGS INC.

By: /s/ Nigel R. Harrison
Name: Nigel R. Harrison
Title: Executive Vice President

SCS SUBSIDIARY, INC.

By: /s/ Nigel R. Harrison
Name: Nigel R. Harrison
Title: Treasurer

/s/ Robert W. Nolan, Sr.
Robert W. Nolan, Sr.

Consent of Spouse

The undersigned, as the spouse of Robert W. Nolan, Sr., who is a signatory of the foregoing Stock Purchase Agreement, hereby consents to, confirms and ratifies any sale by her spouse of any Shares contemplated by the foregoing Stock Purchase Agreement, and for purposes of any community property laws and all other laws, conveys all her right, title and interest in and to such Shares to the purchaser of such Shares.

/s/ Lou Ann Nolan

Exhibit A

EMPLOYMENT AGREEMENT

EMPLOYMENT AGREEMENT (the "Agreement"), dated January __, 1996 between SCS/Compute, Inc. (the "Company") and Robert W. Nolan, Sr. (the "Executive").

The Executive has served as a key executive of the Company and in recognition thereof it is the desire of the Company and the Executive to enter into this Agreement in order to provide the Executive with the opportunity to share in the long-term growth of the Company, and to reward him for his future contributions to the success of the Company on the terms and subject to the conditions hereinafter set forth.

Accordingly, the parties agree as follows:

1. Employment, Duties and Acceptance.

1.1 Employment by the Company. The Company agrees to employ the Executive for the Term (as defined in Section 2) as President and Chief Executive Officer to perform such duties as the Executive shall reasonably be directed to perform by the Chief Executive Officer of Research Institute of America Group (the "CEO of RIAG"). Such duties shall initially include the current duties performed by the Executive for the Company and such duties shall at all times include such other and further duties as shall be reasonably assigned to the Executive by the CEO of RIAG consistent with Executive's experience. Notwithstanding any provision of this Section 1 to the contrary, the Executive shall have no authority to do any of the following on behalf of the Company other than with the express approval of the CEO of RIAG:

(a) Promulgate annual business plans for the Company, including, without limitation, budgets, operating plans and strategic plans;

(b) Make any business or product acquisition;

(c) Make any capital expenditure in excess of $25,000;

(d) Make any sale or divestiture of any asset;

(e) Enter into any real estate lease; and

(f) Enter into any other contract, including, without limitation, software license and consulting agreements, in excess of $50,000;

provided, however, that in the event, and to the extent that, the aforementioned limitations are modified with respect to executives at other operating entities of Thomson U.S. Holdings Inc. and its affiliates ("Thomson") such limitations will also be altered with respect to the Executive.

1.2 Acceptance of Employment by the Executive. The Executive accepts such employment and shall render the services described above.

1.3 Place of Employment. The Executive's principal place of employment shall be in the St. Louis, Missouri area, subject to such reasonable travel as the rendering of the services hereunder may require and subject to the Executive's consent to be transferred elsewhere.

2. Term of Employment. This Agreement shall take effect, and the term of the Executive's employment under this Agreement shall commence, as of the Effective Time (as defined in the merger agreement (the "Merger Agreement") dated December 20, 1995 among Thomson U.S. Holdings Inc., SCS Subsidiary Inc. and SCS/Compute, Inc. (the "Effective Date") and shall end on December 31, 2000 subject to the terms set forth in Section 4.1 hereof (the "Term").

3. Compensation.

3.1 Salary. As compensation for all services to be rendered pursuant to this Agreement, during the Term the Company shall pay the Executive a salary at the annual rate of $260,000 payable in accordance with the payroll policies of the Company as from time to time in effect, less such deductions as shall be required to be withheld by applicable law and regulations. The Executive's salary shall be increased on each December 31st during the Term in an amount determined with reference to the increase in the consumer price index for all urban consumers in the St. Louis, Missouri area for the prior calendar year.

3.2 Employee Benefits, Vacation and Expenses. The Executive shall be entitled (i) to participate in the employee benefit plans of the Company, subject to the terms of such plans, (ii) to receive four weeks of paid vacation during each year of the Term,

subject to appropriate scheduling thereof, and (iii) to be reimbursed for expenses actually incurred or paid by the Executive during the Term in the performance of the Executive's services under this Agreement to the extent that, and upon the same terms as, the Company may, in its discretion, provide such benefit plans, vacation days and expense reimbursement to other key executives of the Company.

3.3 Incentive Payments. In addition to the salary referred to in Section 3.1 above and subject to the terms of this Section 3.3, Section 3.5 below and Schedules 1 and 2 attached to this Agreement, the Executive shall also be eligible to receive from the Company:

(a) an annual incentive payment (the "Annual Bonus") in respect of each calendar year of the Term (for purposes of this Section 3.3 the period from the Effective Date through December 31, 1996 shall be deemed the first calendar year of the Term) with such Annual Bonus to be calculated and payable in accordance with the provisions of Schedule 1 attached hereto, which Schedule 1 may be amended during the Term by agreement of the Executive and the CEO of RIAG or his designee, subject to approval by Thomson; and

(b) a long-term incentive payment ("LTIP") in respect of each of the three years during the Term ending December 31, 1998, 1999 and 2000, with each such LTIP payment to be calculated and payable in accordance with the provisions of Schedule 2 attached hereto, which Schedule 2 may be amended during the Term by agreement of the Executive and the CEO of RIAG, subject to approval by Thomson.

3.4 No Distortion. The Executive agrees that he has a fiduciary responsibility not to jeopardize the ongoing success of the Company in any one year and hereby agrees to maintain expenses sufficient to manage the business of the Company in which he is engaged for both the present and future during the Term.

3.5 Effect of Termination on the Bonuses. Except as specified below, in the event of a termination of employment by the Executive or by the Company in accordance with the terms of this Agreement, the Company shall not be obligated to pay to the Executive any further Annual Bonus or LTIP (or any outstanding portion thereof). In the event of the termination of this Agreement prior to its expiration by the Company under clause (a), (b) or (h) of Section 4.1, the Company shall pay the Executive or the Executive's representative, as appropriate, promptly following termination any Annual Bonus the Executive would have received under Section 3.3(a) for the year in which the termination took place based on the Approved Budget (as defined below) for such year and, if such termination occurs in the second or third year of the Term, a prorated portion (on a per diem basis) of any LTIP the Executive would have received under Section 3.3(a) in the third year of the Term based on the Approved Budget for such year, or, if such termination occurs in the fourth or fifth year of the Term, any LTIP the Executive would have received under Section 3.3(a) for the year in which the termination took place based on the Approved Budget for such year. "Approved Budget" shall mean the detailed financial forecast of revenues, operating income and management cash of the Company as approved by the CEO of RIAG. The Approved Budget shall be prepared on or about January 1 of each year during the Term and shall be adjusted during each such year to reflect changes in underlying business conditions.

4. Termination.

4.1 Events of Termination. The Company may terminate this Agreement prior to the expiration of the Term upon the occurrence of any of the following events:

a) the death of the Executive;
b) the Disability (as hereinafter defined) of the Executive;
c) the conviction of the Executive of any felony;
d) the gross neglect or willful misconduct of the Executive in connection with the performance of his duties hereunder, or a willful failure to follow a reasonable directive of the CEO of RIAG not inconsistent with the other provisions of this Agreement;

e) a material breach by the Executive of any of the provisions of this Agreement;

f) the commission by the Executive of any act or acts of dishonesty reasonably determined by the CEO of RIAG to render the Executive unfit for continued employment with the Company; or

g) the failure of the Company to meet minimum financial

performance criteria as indicated on Schedule 3 attached hereto, which Schedule 3 may be amended during the Term by agreement of the Executive and the CEO of RIAG, subject to approval by Thomson; and

h) for any other reason;

provided that termination of this Agreement under clauses (b) through (h) shall be made upon written notice to the Executive by the Company. The Executive may terminate this Agreement at any time for any reason upon written notice to the Company. The term "Disability" shall mean, with respect to the Executive, that the Company determines reasonably that due to physical or mental disability, whether total or partial, the Executive is or will be substantially unable to perform his services hereunder for (i) a period of 180 consecutive days, or (ii) shorter periods aggregating 180 days during any continuous one year period.

4.2 Effect of Termination. If the Company or the Executive terminates this Agreement pursuant to Section 4.1 hereof, this Agreement shall become null and void and have no further force or effect, except as otherwise provided herein, and except that Sections 5, 6 and 7 shall survive any such termination of this Agreement. If this Agreement is terminated by the Company pursuant to clause (c), (d), (e) or (f) of Section 4.1 or by the Executive for any reason on or before December 31, 1997, the Executive shall be entitled only to payment of his then current base salary pursuant to Section 3.1 through the date of termination. If this Agreement is terminated by the Company pursuant to clause (a), (b), (g), or (h) of Section 4.1, the Executive shall be entitled to payment of his base salary pursuant to Section 3.1 for two years following the date of such termination and the amounts, if any, payable under Section 3.5. If the Agreement is terminated by the Executive for any reason following December 31, 1997 and prior to expiration of the Term, the Executive shall be entitled to payment of his base salary pursuant to Section 3.1 for one year following the date of such termination.

4.3 Consulting Services Beyond the Term. The Company and the Executive agree that the Executive and Thomson Information Services, Inc. shall enter into a consulting agreement which shall be executed in substantially the form attached hereto as Attachment A and shall be effective upon the earlier of expiration of the Term hereunder or termination of Executive's employment prior to expiration of the Term pursuant to Section 4.1.

5. Certain Covenants of the Executive.

5.1 Covenants. The Executive acknowledges that (i) the Company is engaged and in the future will be engaged in the business of developing, designing, publishing and selling compliance and other information products and services for tax and accounting professionals as well as products and services for third parties that integrate with products and services used by tax and accounting professionals (all of the foregoing shall include, without limitation, software, databases and consulting services of the type provided by the Company) (the foregoing, together with any other businesses related to tax and accounting professionals that the Company or its affiliates may engage in from the date hereof to the date of the termination of this Agreement for which the Executive has management responsibility under this Agreement, being hereinafter referred to as the "Company Business"); (ii) his services to the Company will be special and unique; (iii) his work for the Company will give him access to trade secrets of and confidential information concerning the Company; (iv) the Company Business is national in scope; (v) the Company would not have entered into this Agreement but for the agreements and covenants contained in this Section 5; and (vi) the agreements and covenants contained in this Section 5 are essential to protect the business and goodwill of the Company. In order to induce the Company to enter into this Agreement, the Executive covenants and agrees that:

5.1.1 Restrictive Covenants. In consideration for the payments to the Executive contemplated hereunder, during the Term hereof and for a period equal to three years after the termination or expiration of the Executive's employment with the Company (the "Restricted Period"), the Executive shall not, other than as specifically provided in this Agreement, directly or indirectly, (i) engage in the Company Business or a business competitive with the Company Business; (ii) assist any person in conducting a business competitive with the Company Business, provided, however, that this is not intended to restrict the Executive's ownership of up to 5% of the securities of a publicly traded company that engages in the Company Business; (iii) interfere with business relationships (whether

formed heretofore or hereafter) between the Company and customers of or suppliers to the Company Business; and provided further that the obligations of the Executive pursuant to this Section 5.1.1 shall terminate after the second year of the Restricted Period. The Executive agrees that, in the event of a breach or threatened breach by the Executive of this section, the Company shall be entitled to injunctive relief restraining the Executive from engaging in any of the aforesaid prohibited activities. Nothing hereunder, however, shall be construed as prohibiting the Company from pursuing any other remedies available to it in law or in equity.

5.1.2 Confidential Information; Personal Relationships. During and after the Restricted Period, the Executive shall keep secret and retain in strictest confidence, and shall not use for the benefit of himself or others, except in connection with the business and affairs of the Company and its affiliates, all confidential information relating to the Company Business or to the Company or to the business of any of the Company's affiliates, including, but not limited to, "know-how," trade secrets, customer lists, subscription lists, details of consultant contracts, pricing policies, operational methods, marketing plans or strategies, product development techniques or plans, business acquisition plans, technical processes, new personnel acquisition plans, processes, designs and design projects, inventions, software, source codes, object codes, system documentation and research projects and other business affairs relating to the Company Business or to any affiliate of the Company learned by the Executive heretofore or hereafter, and shall not disclose them to anyone outside of the Company and its affiliates, either during or after employment by the Company or any of its affiliates, except (i) as required in the course of performing his duties hereunder, or (ii) with the Company's express written consent, or (iii) pursuant to legal process. Notwithstanding the foregoing, the obligations of the Executive pursuant to this Section 5.1.2 shall not apply to confidential information:

(a) which at the date hereof or thereafter becomes a matter of public knowledge without breach by the Executive of this Agreement; or

(b) which is obtained by the Executive from a person other than the Company or an affiliate of the Company who is under no obligation of confidentiality to the Company.

5.1.3 Employees and Consultants of the Company. During the Restricted Period, the Executive shall not, directly or indirectly, (a) hire, solicit or encourage any employee to leave the employment of the Company or any of its affiliates, (b) hire or enter into a consulting relationship with any such employee who has left the employment of the Company or any of its affiliates within three months of the termination of such employee's employment with the Company or any of its affiliates, (c) solicit or encourage any consultant to terminate a consulting relationship with the Company or any of its affiliates or (d) hire or enter into a consulting relationship with any such consultant who has terminated a consulting relationship related to the Company Business with the Company or any of its affiliates within three months of the termination of such consultant's relationship with the Company or any of its affiliates; provided, however, that no provision of this Section 5.1.3 shall prohibit any action the Executive may take with respect to Robert W. Nolan, Jr..

5.1.4 Consequence of Termination. Upon termination of the Executive's employment with the Company, all documents, records, notebooks, and similar repositories of or containing trade secrets or intellectual property then in the Executive's possession, including copies thereof, whether prepared by the Executive or others, will be promptly returned to or left with the Company.

5.2 Rights and Remedies upon Breach. If the Executive breaches, or threatens to commit a breach of, any of the provisions of Section 5.1 (the "Restrictive Covenants"), the Company shall have the right and remedy to have the Restrictive Covenants specifically enforced by any court having equity jurisdiction, it being acknowledged and agreed that any such breach or threatened breach will cause irreparable injury to the Company and that money damages will not provide adequate remedy to the Company. Such rights and remedies shall be in addition to, and not in lieu of, any other rights and remedies available to the Company under law or in equity.

5.3 Severability of Covenants. The Executive acknowledges and agrees that the Restrictive Covenants are reasonable and valid in geographical and temporal scope and in all other respects. If any court determines that any of the Restrictive Covenants or any part thereof, is invalid or unenforceable, the remainder of the Restrictive Covenants shall

not thereby be affected and shall be given full effect, without regard to the invalid portions.

5.4 Blue-Pencilling. If any court determines that any of the Restrictive Covenants, or any part thereof, is unenforceable because of the duration or geographic scope of such provision, such court shall have the power to reduce the duration or scope of such provision, as the case may be, and, in its reduced form, such provision shall then be enforceable and shall be enforced.

6. Intellectual Property. The Company shall be the sole owner of all the products and proceeds of the Executive's services hereunder, including, but not limited to, all materials, ideas, concepts, formats, suggestions, developments, arrangements, packages, programs and other intellectual properties that the Executive may acquire, obtain, develop or create in connection with and during the term of the Executive's employment hereunder, free and clear of any claims by the Executive (or anyone claiming under the Executive) of any kind or character whatsoever. The Executive shall, at the request of the Company, execute such assignments, certificates or other instruments as the Company may from time to time deem necessary or desirable to evidence, establish, maintain, perfect, protect, enforce or defend its right, title and/or interest in or to any such properties.

7. Other Provisions.

7.1 Consent to Jurisdiction and Service of Process. Any legal action, suit or proceeding in equity or in law arising out of or relating to this Agreement and the transactions contemplated hereby or thereby shall be instituted solely in any state or federal court in the state of Missouri and each party agrees not to assert, by way of motion, as a defense, or otherwise, in any such action, suit or proceeding, any claim that such party is not subject personally to the jurisdiction of such court, that its property is exempt or immune from attachment, that the action, suit or proceeding is brought in an inconvenient forum, that the venue of the action, suit or proceeding is improper, or that this Agreement may not be enforced in or by such court. Each party further irrevocably submits to the jurisdiction of any such court in any such action, suit or proceeding. Nothing herein contained shall be deemed to affect the right of any party to serve process in any manner permitted by law.

7.2 Notices. Any notice or other communication required or which may be given hereunder shall be in writing and shall be delivered personally, telegraphed, telexed, sent by facsimile transmission or overnight courier, or sent by certified, registered or express mail, postage prepaid, and shall be deemed given when so delivered personally, telegraphed, telexed or sent by facsimile transmission or overnight courier, or, if mailed, four days after the date of mailing, as follows:

(i) if to the Company, to:
Euan Menzies
Chief Executive Officer
RESEARCH INSTITUTE OF AMERICA
90 Fifth Avenue
New York, NY 10011

with a copy to:

THE THOMSON CORPORATION

Metro Center at One Station Place
Stamford at One Station Place
Stamford, CT 06902
Attn: General Counsel

(ii) if to the Executive, to:

Robert W. Nolan, Sr.
14584 Whittington Court
Chesterfield, MO 63017

Any party may by notice given in accordance with this Section to the other parties designate another address for receipt of notices hereunder.

7.3 Entire Agreement. This Agreement contains the entire agreement between the parties with respect to the subject matter hereof and, upon the Effective Date, supersedes all prior agreements with respect thereto, written or oral, including, without

limitation, the Long Term Compensation Plan - Chief Executive Officer, effective February 1, 1995 and the FY '95 Executive Incentive Compensation Plan; provided, however, that to the extent not paid to the Executive prior to the Effective Date, the Company shall pay to the Executive an amount equal to that to which the Executive would have been entitled under the FY '95 Executive Incentive Compensation Plan.

7.4 Waivers and Amendments. This Agreement may be amended, modified, superseded, canceled, renewed or extended, and the terms and conditions hereof may be waived, only by a written instrument signed by the parties and by Thomson, or, in the case of a waiver, by the party waiving compliance and, in the case of the Company, by Thomson. No delay on the part of any party in exercising any right, power or privilege hereunder shall operate as a waiver thereof, nor shall any waiver on the part of any party of any right, power or privilege hereunder, nor any single or partial exercise of any right, power or privilege hereunder, preclude any other or further exercise thereof or the exercise of any other right, power or privilege hereunder.

7.5 Governing Law. This Agreement shall be governed and construed in accordance with the laws of the State of Missouri applicable to agreements made and to be performed entirely within such State.

7.6 Assignment. This Agreement, and the Executive's rights and obligations hereunder, may not be assigned by the Executive. The Company may, without the Executive's consent, assign its rights, together with its obligations, under this Agreement in connection with any sale, transfer or other disposition of all or substantially all of its assets or business, whether by merger, consolidation or otherwise. This Agreement shall be binding on any successor to the Company.

7.7 Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument.

7.8 Headings. The headings in this Agreement are for reference purposes only and shall not in any way affect the meaning or interpretation of this Agreement.

IN WITNESS WHEREOF, the parties have executed this Agreement on the date first above written.

SCS/COMPUTE, INC.

By:

Robert W. Nolan, Sr.

Accepted and Agreed to:

THOMSON INFORMATION
SERVICES, INC.

By:

SCHEDULE 1

Annual Bonus

A. Calculations: Revenue, Operating Income and Management Cash shall each be as determined in accordance with generally acceptable accounting principles consistently applied, calculated and certified by the chief financial officer of the Company and approved by the CEO of RIAG. The CEO of RIAG will deliver a certificate of determination of Revenue, Operating Income and Management Cash to the Executive no later than ninety days after the end of each respective calendar year during the Term.

The financial targets included herein have been developed using the financial accounting policies adopted by the Company at the time of the Merger Agreement, utilizing a January 31 fiscal year end. The effect on the targets of any adjustments to these policies and a change to a calendar year end will be quantified and will adjust the targets as agreed between the CEO of RIAG and the Executive.

Any payments of Annual Bonus amounts are funded out of the operating results of the Company and are included in the calculation of Operating Income to arrive at the Annual Bonus amount.

The Annual Bonus amount will be calculated by applying the percentage bonus earned (using the financial targets in B. below and the pro forma bonus schedule in C. below) to the salary of the Executive in effect during the relevant calendar year.

The Executive will not be eligible for any payments unless the "Floor" targets for both Revenue and Operating Income for the relevant year as identified in B. below are met or exceeded.

B. Financial Targets

The financial targets for each fiscal year under the Agreement are as follow (note: 1996 relates to the fiscal year ending January 31, 1997, et seq.):

	1996	1997	1998	1999	2000
Revenue					
"Target" Revenue	$22,300,	$24,530,	$26,983,	$29,681,	$32,649,
Growth	12.6%	10.0%	10.0%	10.0%	10.0%
"Floor" Revenue	$21,185,	$23,304,	$25,634,	$28,197,	$31,017,
"Ceiling" Revenue	$25,000,	$27,500,	$30,250,	$33,275,	$36,600,
Operating Income					
"Target" OI	$4,400,	$5,550,	$6,604,	$7,420,	$8,162,
Growth	67.3%	26.1%	19.0%	12.4%	10.0%
Margin	19.7%	22.6%	24.5%	25.0%	25.0%
"Floor" OI	$4,180,	$5,273,	$6,274,	$7,049,	$7,754,
"Ceiling" OI	$6,000,	$6,875,	$7,563,	$8,319,	$9,150,
Management Cash					
"Target" Mgmt. Cash	$3,960,	$4,995,	$6,604,	$7,420,	$8,162,
Growth	36.6%	26.1%	32.2%	12.4%	10.0%
Conversion	90.0%	90.0%	100.0%	100.0%	100.0%
"Floor" Cash	n/a	n/a	n/a	n/a	n/a
"Ceiling" Cash	$5,400,	$6,188,	$7,563,	$8,319,	$9,150,

Note: All dollar amounts are in thousands of U.S. dollars.

C. Pro Forma Percentage Bonus Schedule

(i) Percentage Bonus Schedule for 1996:

	PLAN			% BONUS EARNED			
% Achieved	Net Sales Revenue	Operating Income	Mgmt Cash	Net Sales Revenue	Operating Income	Mgmt Cash	Total
FLOOR 95	$21,185,	$4,180,	n/a				
96	$21,408,	$4,224,	$3,802,	3.0	6.0	1.0	10.0
97	$21,631,	$4,268,	$3,841,	6.0	12.0	2.0	20.0
98	$21,854,	$4,312,	$3,881,	9.0	18.0	3.0	30.0
99	$22,077,	$4,358,	$3,920,	12.0	24.0	4.0	40.0
TARGET	$22,300,	$4,400,	$3,960,	15.0	30.0	5.0	50.0
CEILING	$25,000,	$6,000,	$5,400,	30.0	60.0	10.0	100.0

In no event shall the percentage bonus earned exceed 100% of salary.

(ii) Percentage Bonus Schedule for years 1997 through 2000 will be prepared on a consistent basis with the Percentage Bonus Schedule for 1996 using the relevant financial targets for each of those years.

D. Treatment of Acquisitions: Acquisitions with revenues of up to $1.0 million will be included in the results of the ongoing operations at the Company and the targets used herein will not be adjusted. The targets used herein will be adjusted to include the Revenue, Operating Income and Management Cash included in the approved Thomson Board Papers for each acquisition with revenues in excess of $1.0 million.

E. Treatment of Changes in Operations: The targets used herein are based on the existing operations of the Company, as such may change in the ordinary course of business. The targets may be adjusted for any extraordinary changes including, but not limited to, product transfers to/from the Company and significant new investment in product development funded by Thomson.

F. Payment: Payment of the Annual Bonus pursuant to Section 3.3(a) and this Schedule 1 shall be made as soon as practicable after the determination of Revenue, Operating Income and Management Cash for the relevant period as provided above (but in no event later than ninety days after year end) and shall be subject to required withholdings.

SCHEDULE 2

LTIP

A. Calculations: Revenue and Operating Income shall each be as determined in accordance with generally acceptable accounting principles consistently applied, calculated and certified by the chief financial officer of the Company and approved by the CEO of RIAG. The CEO of RIAG will deliver a certificate of determination of Revenue and Operating Income to the Executive no later than ninety days after the end of each respective calendar year during the Term.

The financial targets included herein have been developed using the financial accounting policies adopted by the Company at the time of the Merger Agreement, utilizing a January 31 fiscal year end. The effect on the targets of any adjustments to these policies and a change to a calendar year end will be quantified and will adjust the targets as agreed between the CEO of RIAG and the Executive.

Any payments of LTIP amounts are funded out of the operating results of the Company and are included in the calculation of Operating Income to arrive at the LTIP amount.

The LTIP amount will be calculated as provided below. The Executive will not be eligible for any payments unless the "Floor" targets as identified in B. below for the relevant year are met or exceeded.

B. LTIP Formula: Executive will be eligible to begin receiving payments of the LTIP if the minimum ("Floor") Revenue and Operating Income targets are achieved as outlined below. All dollar amounts are in thousands of U.S. dollars.

(i) Targets (Floor) for Fiscal Year:

	1998	1999	2000
Revenue	$30,000,	$35,000,	$40,000,
Operating Income	$ 7,500,	$ 8,750,	$10,000,
Bonus for Achieving Target	$ 250,	$ 250,	$ 250,

(ii) An incremental bonus of 20% of Operating Income in excess of Floor will also be payable.

Example: In fiscal year 1996, if Revenue is $30,000 and Operating Income is $9,000, then the bonus equals:

Bonus for achieving target:	$250,
Incremental bonus at 20% of OI amount over $7,500,	$300,
Total Bonus	$550,

(iii) Treatment of Acquisitions:

Revenues up to $1.0 Million:	Financial results will be added to the ongoing operations of the Company. Targets will not be adjusted.
Revenues greater than $1.0 Million:	Operating Income targets for each year of the Agreement will be increased by 12% of the purchase price of the acquisition. Revenue targets will not be adjusted.

(iv) Treatment of Changes in Operations: The targets used herein are based on the existing operations of the Company, as such may change in the ordinary course of business. The targets may be adjusted for any extraordinary changes including, but not limited to, product transfers to/from the Company and significant new investment in product development funded by Thomson.

C. Payment: Payment of LTIP pursuant to Section 3.3(a) and this Schedule 2 shall be made as soon as practicable after the determination of Revenue and Operating Income for the relevant period as provided above (but in no event later than ninety days after year end) and shall be subject to required withholdings.

SCHEDULE 3

Minimum Company Financial Performance Criteria:

The Company's minimum financial performance criteria require that Revenue and Operating Income for each calendar year during the Term must exceed the previous year's Revenue and Operating Income by at least 5% and 10% respectively. The calculation for 1996 will be based on the Company's fiscal year 1995 results, except that in no event will the minimum Revenue and Operating Income requirements for 1996 be less than $20 million and $3.75 million respectively. Notwithstanding the foregoing, if the minimum growth rates are not met but the Company's overall performance exceeds the financial targets included in Schedule 1 (Section B.), then the Company's financial performance will be considered acceptable for purposes of this Schedule.

Attachment A

CONSULTING AGREEMENT

CONSULTING AGREEMENT (the "Agreement"), dated January __, 1996 between Thomson Information Services, Inc. (the "Company") and Robert W. Nolan, Sr. (the "Consultant").

The Consultant has served as a key executive of SCS/Compute, Inc., an affiliate of the Company, and in recognition thereof it is the desire of the Company and the Consultant to enter into this Agreement in order to ensure that the services and advice of the Consultant will be available to the Company for the term of the Agreement and to reward the Consultant for his continuing contributions to the success of the Company on the terms and subject to the conditions hereinafter set forth.

Accordingly, the parties agree as follows:

1. Consulting Engagement. The Company hereby engages the Consultant for the Consulting Period (as defined in Section 2) to perform such consulting, advisory and other services as the Consultant shall reasonably be requested to perform by the Chief Executive Officer of Research Institute of America Group. The Consultant hereby accepts such engagement and shall render the services described above.

2. Consulting Period. This Agreement shall take effect, and the term of the Consultant's engagement under this Agreement shall commence, as of the earlier of the date of termination of Consultant's employment pursuant to Section 4.1 of the Employment Agreement between the Consultant and the Company dated January __, 1996 (the "Employment Agreement") and expiration of the Term of the Employment Agreement (as such term is defined in Section 2 of the Employment Agreement) (the "Effective Date") and shall end on the third anniversary of the Effective Date (the "Consulting Period").

3. Compensation.

3.1 Fee. As compensation for all services to be rendered during the Consulting Period pursuant to this Agreement, the Company shall pay the Consultant a total fee of $1,050,000. Such fee shall be payable in the following amounts at the following times: (i) during the period commencing on the Effective Date and ending on the second anniversary of the Effective Date, an annual amount of $400,000 payable monthly in arrears; and (ii) during the period commencing on the date immediately following the second anniversary of the Effective Date and ending on the third anniversary of the Effective Date, an annual amount of $250,000 payable monthly in arrears.

3.2 Expenses. The Consultant shall be entitled to be reimbursed for reasonable expenses actually incurred or paid by the Consultant in the performance of the Consultant's services during the Consulting Period under this Agreement.

4. Independent Contractor. The Consultant acknowledges that he is being retained by the Company as an independent contractor and not as an employee. The Company shall not exercise direction or control over the Consultant in his performance of services hereunder. Accordingly, the Consultant hereby acknowledges: (i) the Consultant shall be solely responsible for and shall file, on a timely basis, tax returns and payments required to be filed with or made to any relevant tax authorities with respect to his performance of services hereunder; (ii) the Company will not withhold any taxes from compensation paid by the Company to the Consultant during the Consulting Period unless legally required to do so; (iii) the Consultant will be responsible for providing his own office space; and (iv) the Company will not provide the Consultant during the Consulting Period with (a) life insurance, (b) health insurance, (c) long-term disability insurance or (d) any other employee benefits, rights or entitlements under any plans of the Company or of SCS/Compute, Inc.. The Company's only obligations under this Agreement are to pay the Consultant the compensation and expenses described in Section 3 hereof.

5. No Agency. Nothing contained in this Agreement shall be construed as creating an agency relationship between the Company and the Consultant and, without the Company's prior written consent, the Consultant shall have no authority hereunder to bind the Company or make any commitments on the Company's behalf. The Consultant shall not take any action in connection with his rendering of services hereunder which he reasonably believes would cause any third party to assume that he has such authority.

6. Certain Covenants of the Consultant. The Consultant acknowledges that his

obligations pursuant to Sections 5, 6 and 7.1 of the Employment Agreement are ongoing; provided, however, that any breach by the Executive of such Sections 5, 6 and 7.1 of the Employment Agreement shall not, without more, be deemed a breach of this Agreement.

Upon termination of the Consultant's engagement hereunder, all documents, records, notebooks, and similar repositories of or containing trade secrets or intellectual property then in the Consultant's possession, including copies thereof, whether prepared by the Consultant or others, will be promptly returned to or left with the Company.

The Company shall be the sole owner of all the products and proceeds of the Consultant's services hereunder, including, but not limited to, all materials, ideas, concepts, formats, suggestions, developments, arrangements, packages, programs and other intellectual properties that the Consultant may acquire, obtain, develop or create in connection with and during the term of the Consultant's engagement hereunder, free and clear of any claims by the Consultant (or anyone claiming under the Consultant) of any kind or character whatsoever. The Consultant shall, at the request of the Company, execute such assignments, certificates or other instruments as the Company may from time to time deem necessary or desirable to evidence, establish, maintain, perfect, protect, enforce or defend its right, title and/or interest in or to any such properties.

7. Rights and Remedies upon Breach. If the Consultant breaches, or threatens to commit a breach of, any of the provisions of Section 5 or 6 of this Agreement, the Company shall have the right and remedy to have the Consultant's obligations pursuant to such Sections specifically enforced by any court having equity jurisdiction, it being acknowledged and agreed that any such breach or threatened breach will cause irreparable injury to the Company and that money damages will not provide adequate remedy to the Company. Such rights and remedies shall be in addition to, and not in lieu of, any other rights and remedies available to the Company under law or in equity.

8. Other Provisions.

8.1 Consent to Jurisdiction and Service of Process. Any legal action, suit or proceeding in equity or in law arising out of or relating to this Agreement and the transactions contemplated hereby or thereby shall be instituted solely in any state or federal court in the state of Missouri and each party agrees not to assert, by way of motion, as a defense, or otherwise, in any such action, suit or proceeding, any claim that such party is not subject personally to the jurisdiction of such court, that its property is exempt or immune from attachment, that the action, suit or proceeding is brought in an inconvenient forum, that the venue of the action, suit or proceeding is improper, or that this Agreement may not be enforced in or by such court. Each party further irrevocably submits to the jurisdiction of any such court in any such action, suit or proceeding. Nothing herein contained shall be deemed to affect the right of any party to serve process in any manner permitted by law.

8.2 Notices. Any notice or other communication required or which may be given hereunder shall be in writing and shall be delivered personally, telegraphed, telexed, sent by facsimile transmission or overnight courier, or sent by certified, registered or express mail, postage prepaid, and shall be deemed given when so delivered personally, telegraphed, telexed or sent by facsimile transmission or overnight courier, or, if mailed, four days after the date of mailing, as follows:

(i) if to the Company, to:

Euan Menzies
Chief Executive Officer
RESEARCH INSTITUTE OF AMERICA
90 Fifth Avenue
New York, NY 10011

with a copy to:

THE THOMSON CORPORATION

Metro Center at One Station Place
Stamford at One Station Place
Stamford, CT 06902
Attn: General Counsel

(ii) if to the Consultant, to:

Robert W. Nolan, Sr.
14584 Whittington Court
Chesterfield, MO 63017

Any party may by notice given in accordance with this Section to the other parties designate another address for receipt of notices hereunder.

8.3 Entire Agreement. This Agreement contains the entire agreement between the parties with respect to the subject matter hereof and, upon the Effective Date, supersedes all prior agreements with respect thereto, written or oral, except as specifically provided in Section 6 of this Agreement.

8.4 Waivers and Amendments. This Agreement may be amended, modified, superseded, canceled, renewed or extended, and the terms and conditions hereof may be waived, only by a written instrument signed by the parties, or, in the case of a waiver, by the party waiving compliance. No delay on the part of any party in exercising any right, power or privilege hereunder shall operate as a waiver thereof, nor shall any waiver on the part of any party of any right, power or privilege hereunder, nor any single or partial exercise of any right, power or privilege hereunder, preclude any other or further exercise thereof or the exercise of any other right, power or privilege hereunder.

8.5 Governing Law. This Agreement shall be governed and construed in accordance with the laws of the State of Missouri applicable to agreements made and to be performed entirely within such State.

8.6 Assignment. This Agreement, and the Consultant's rights and obligations hereunder, may not be assigned by the Consultant other than by devise, inheritance or operation of intestacy. The Company may, without the Consultant's consent, assign its rights, together with its obligations, under this Agreement in connection with any sale, transfer or other disposition of all or substantially all of its assets or business, whether by merger, consolidation or otherwise. This Agreement shall be binding on any successor to the Company.

8.7 Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument.

8.8 Headings. The headings in this Agreement are for reference purposes only and shall not in any way affect the meaning or interpretation of this Agreement.

IN WITNESS WHEREOF, the parties have executed this Agreement on the date first above written.

THOMSON INFORMATION

SERVICES, INC.

By:

Robert W. Nolan, Sr.
