

Document 0018

[20018004]

The documents also said that although the 64-year-old Mr. Cray has been working on the project for more than six years, the Cray-3 machine is at least another year away from a fully operational prototype.

[20018005]

Moreover, there have been no orders for the Cray-3 so far, though the company says it is talking with several prospects.

[20018007]

"We did n't have much of a choice," Cray Computer's chief financial officer, Gregory Barnum, said in an interview.

[20018008]

"The theory is that Seymour is the chief designer of the Cray-3, and without him it could not be completed.

[20018009]

Cray Research did not want to fund a project that did not include Seymour.

[20018010]

The documents also said that Cray Computer anticipates needing perhaps another \$120 million in financing beginning next September.

[20018011]

But Mr. Barnum called that "a worst-case" scenario.

[20018012]

The filing on the details of the spinoff caused Cray Research stock to jump \$2.875 yesterday to close at \$38 in New York Stock Exchange composite trading.

[20018013]

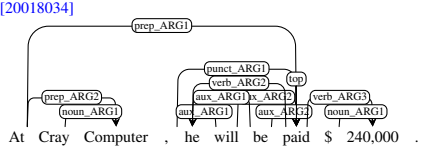
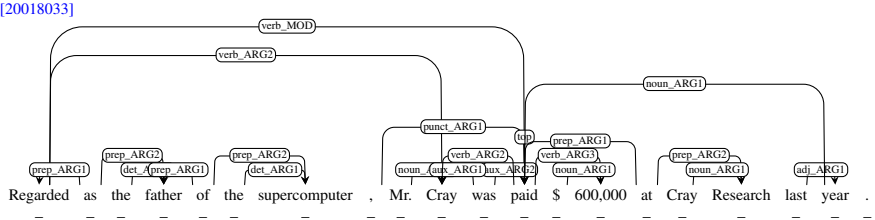
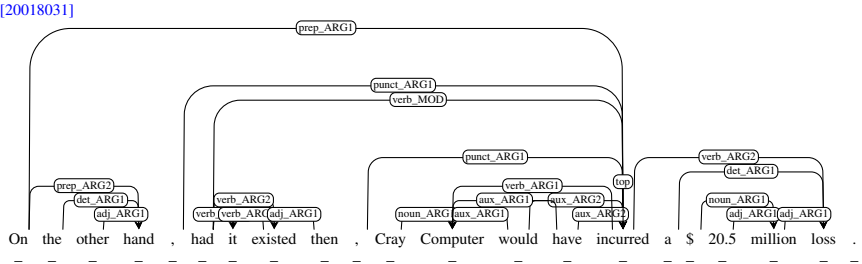
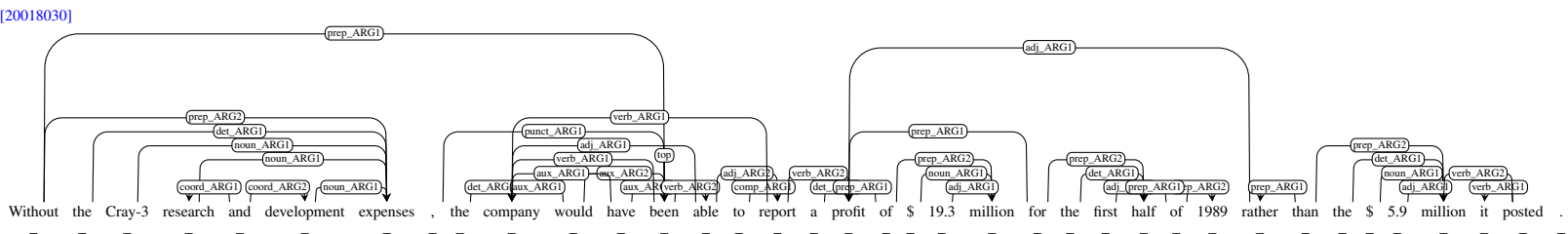
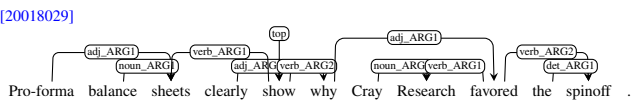
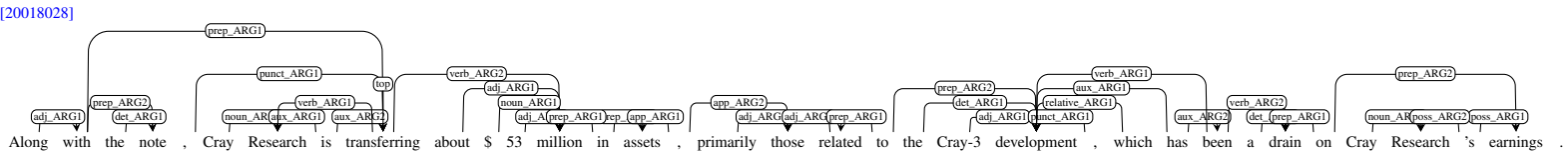
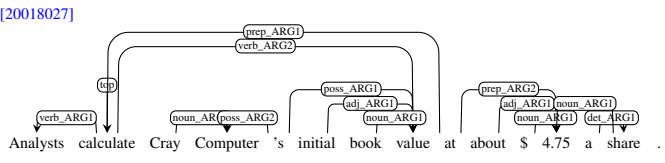
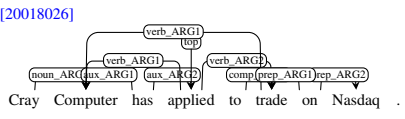
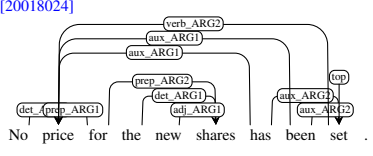
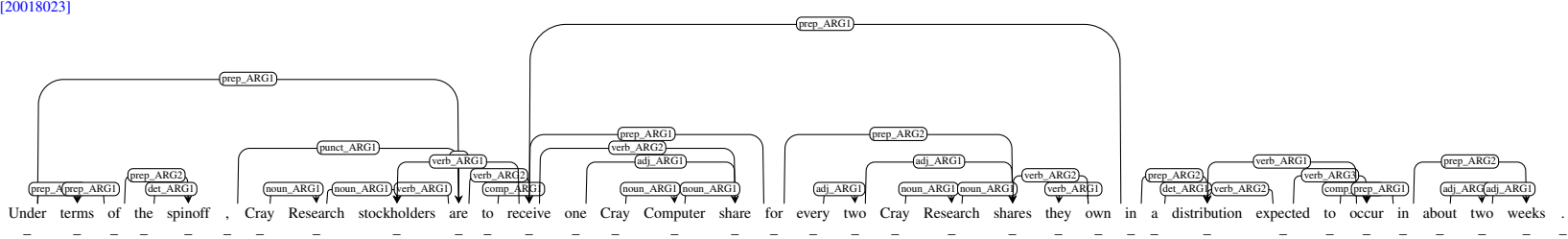
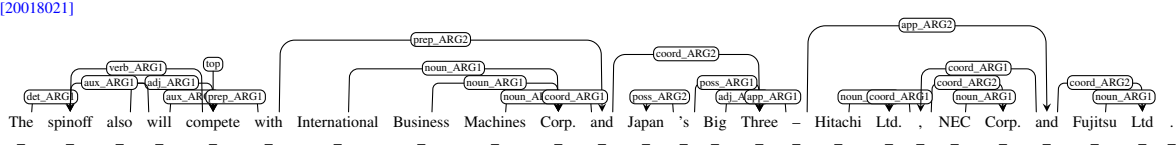
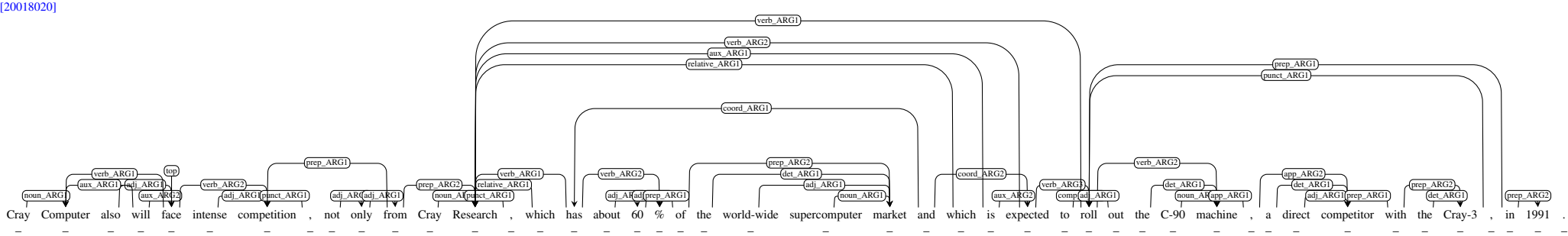
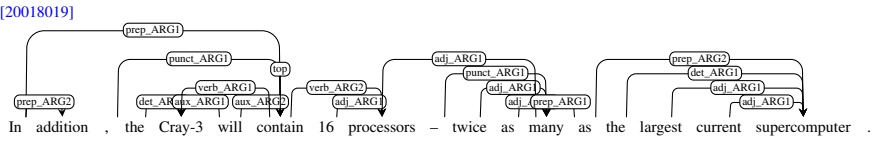
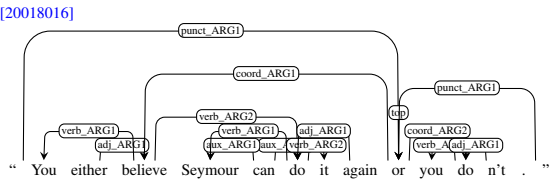
Analysts noted yesterday that Cray Research's decision to link its \$98.3 million promissory note to Mr. Cray's presence will complicate a valuation of the new company.

[20018014]

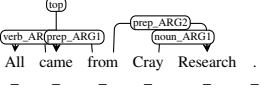
"It has to be considered as an additional risk for the investor," said Gary P. Smaby of Smaby Group Inc., Minneapolis.

[20018015]

"Cray Computer will be a concept stock," he said.



[20018036]



[20018037]

