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DATAPOINT CORPORATION

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October 15, 1984

Dear Stockholder:

You are cordially invited to attend the 1984 Annual Meeting of Stockholders. The meeting will be held on Thursday, November 15, 1984, in the Regency Ballroom of the Hyatt Regency Hotel, 123 Losoya Street, San Antonio, Texas, at 11:00 a.m., local time.

The notice of the meeting and the Proxy Statement on the following pages cover the formal business of the meeting, which includes the election of directors and the ratification of the appointment of auditors. To familiarize you with the nominees for director, the Proxy Statement contains biographical sketches and photographs of each nominee.

We hope you will be able to attend the Annual Meeting. In any event, in order that we may be assured of a quorum, please sign the accompanying proxy and return it promptly in the envelope enclosed for your use. Your vote is important.

Sincerely,

H E O'Kelley

H. E. O'Kelley
Chairman of the Board
and Chief Executive Officer

DATAPOINT CORPORATION

8119 DATAPOINT DRIVE
SAN ANTONIO, TEXAS 78229

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS TO BE HELD NOVEMBER 15, 1984

TO THE STOCKHOLDERS:

The Annual Meeting of Stockholders of Datapoint Corporation ("Company") will be held on Thursday, November 15, 1984, in the Regency Ballroom of the Hyatt Regency Hotel, 123 Losoya Street, San Antonio, Texas, at 11:00 a.m., local time, for the purpose of considering and acting upon the following matters:

1. Election of eight directors of the Company;
2. Ratification of the appointment of Peat, Marwick, Mitchell & Co., independent Certified Public Accountants, as the Company's auditors for the fiscal year ending July 27, 1985; and
3. Transaction of such other business as properly may come before the meeting or any adjournment thereof.

Only stockholders of record at the close of business on September 21, 1984, are entitled to notice of and to vote at the meeting or any adjournment thereof. Whether or not you plan to be present at the meeting in person, please fill in, date and sign the enclosed proxy, and return it promptly to the Company in the return envelope enclosed for your use, which requires no postage if mailed in the United States.

You are cordially invited to attend.

By Order of the Board of Directors

HELAINE B. HARTHCOCK
Secretary

October 15, 1984

DATAPOINT CORPORATION

8119 DATAPOINT DRIVE
SAN ANTONIO, TEXAS 78229

PROXY STATEMENT
ANNUAL MEETING OF STOCKHOLDERS

The accompanying proxy is solicited on behalf of the Board of Directors of Datapoint Corporation ("Company"). Unless a stockholder designates otherwise, it is intended that the proxy will be voted for the election of the nominees for director named in this Proxy Statement and for the ratification of the appointment of Peat, Marwick, Mitchell & Co. to serve as the Company's independent auditors.

The record date for determination of stockholders entitled to notice of and to vote at the Annual Meeting of Stockholders is September 21, 1984. At the close of business on the record date there were 19,894,525 shares of Common Stock issued and outstanding (excluding 362,700 shares held in Treasury). The presence, in person or by proxy, of a majority of the outstanding shares of Common Stock on the record date is necessary to constitute a quorum at the meeting. All voting rights are vested in the holders of Common Stock of the Company. Each share of Common Stock is entitled to one vote on all questions requiring a stockholder vote at the meeting.

ELECTION OF DIRECTORS

At the Annual Meeting, eight directors, constituting the entire Board of Directors of the Company, are to be elected to hold office until the next annual meeting and until their respective successors are elected and qualified. Although the Board of Directors does not contemplate that any of the nominees for director named will be unavailable for election, in the event of a vacancy in the slate of nominees, it is presently intended that the proxy will be voted for the election of a nominee who will be selected by the Board of Directors of the Company after consideration of recommendations, if any, received from the Board's Nominating Committee. Any stockholder giving a proxy may revoke it prior to the voting thereof on any matter (without affecting, however, any vote on any other matter taken prior to revocation) by delivery of written notice to the Secretary of the Company prior to the stockholder vote at the Annual Meeting of Stockholders. The nominees for election as directors are as follows:

GENE K. BEARE, former Executive Vice President and a former director of General Dynamics Corporation, St. Louis, Missouri, and former Chairman of the Board and a former director of Asbestos Corporation Limited, Montreal, Canada.

Mr. Beare is a member of the Board of Directors of American Maize Products Company, Emerson Electric Company, Westvaco Corporation and Nooney Realty Trust, Inc. He joined General Dynamics Corporation in 1972 and served as Executive Vice President until 1977. Prior to joining General Dynamics Corporation, Mr. Beare was Executive Vice President, Manufacturing and a director of General Telephone and Electronics Corporation from 1969 to 1972. From 1961 to 1969, he was President and a director of Sylvania Electric Products, Inc. (now GTE Sylvania, Inc.). Prior to 1961, Mr. Beare was President and a director of General Telephone and

Electronics International, Incorporated (now GTE International, Incorporated). He is a former President of the National Electrical Manufacturers Association and has served as a Trustee of the National Security Industrial Association. Mr. Beare received a Bachelor of Mechanical Engineering degree from Washington University and a Master of Business Administration degree from the Harvard Graduate School of Business Administration. He became a director of Datapoint Corporation in 1977.

Chairman of Management Compensation and Stock Option Plan Committee and member of Audit and Executive Committees

Age: 69

EVELYN BEREZIN, President of the Greenhouse Management Corporation, founder and former President of Redactron Corporation, now part of Burroughs Corporation.

Ms. Berezin is a member of the Boards of Directors of CIGNA Corporation, Koppers Company, Inc., and DNA-Plant Technology Corporation. She is President of Greenhouse Management Corporation, which is the general partner of The Greenhouse Investment Fund. Ms. Berezin organized Redactron Corporation in 1969, serving as its President until 1978, when it was acquired by Burroughs Corporation. Ms. F[illegible]zin serves as a director of the Long Island Association and the America[illegible]an's Economic Development Foundation. Ms. Berezin received a Bachelor's degree from New Yo[illegible]ersity. She became a director of Datapoint Corporation in 1983.

Member of Audit and Management Compensation and Stock Option Plan Committees

Age: 59

HARRY G. BOWLES, former Senior Vice President, Chief Financial Officer and director, Burroughs Corporation; Business Consultant.

Mr. Bowles is a member of the Board of Directors of Sanders Associates, Inc., a manufacturer of electronic equipment and systems. He serves as a director of Webster Cash Reserve Fund and four Kidder, Peabody & Co. mutual funds. Mr. Bowles began his career with Burroughs Corporation as a salesman in 1929. He became Manager of General Accounting and then moved to the Burroughs Business Forms and Supplies Division, serving first as Controller and later as Plant Manager. In 1959, Mr. Bowles was named Corporate Controller for Burroughs Corporation and, in 1960, Chief Financial Officer. He was elected to the Burroughs Board of Directors in 1963. Mr. Bowles retired from Burroughs Corporation in 1971 but continued as a director until 1975. He has since been engaged in independent business consulting. Mr. Bowles holds a Bachelor of Business Administration degree from the Detroit Institute of Technology. He became a director of Datapoint Corporation in 1976.

Chairman of Audit Committee and member of Finance, Management Compensation and Stock Option Plan, and Retirement Income Plan Committees

Age: 78

EDWARD P. GISTARO, President and Chief Operating Officer, Datapoint Corporation.

Mr. Gistaro joined Datapoint Corporation as Vice President, Marketing in 1973. He was elected Senior Vice President, Marketing in 1975 and was elected to the Board of Directors in 1976. He was named General Manager of the Domestic Marketing Division in 1977 and was elected Executive Vice President, Corporate Development in January 1980, and Executive Vice President, Finance and Corporate Development in November 1981. He was elected President and Chief Operating Officer in March 1982. During 1972 and 1973, he was Director of Marketing for Computer Operations, Radiation Systems Division, Harris-Intertype Corporation (now Harris Corporation). From 1962 to 1972, Mr. Gistaro held various marketing positions with Computer Control Company (a computer manufacturer, now a division of Honeywell, Inc.) and with Honeywell Information Systems, Inc. In 1971, he was named Director of Product Marketing for Subsystems, involving Honeywell's communications, peripherals, data entry, terminals and mini-computer product lines. From 1960 to 1962, Mr. Gistaro was a Design Engineer for RCA Communications, Inc. He is a University of Notre Dame graduate in Electrical Engineering and attended the Graduate School of Industrial Engineering, Brooklyn Polytechnic Institute.

Age: 49

WILLIAM G. KARNES, retired Chairman of the Board and Chief Executive Officer of Beatrice Foods Co.

Mr. Karnes serves as a director of International Harvester Company, Chicago Milwaukee Corporation, the Midwest Securities Trust Company, Tone Brothers Spice Company, and Lou Ana Foods Company. Mr. Karnes began his career with Beatrice Foods Co., a leading diversified food manufacturer, in 1936 as a clerk in the Law Department. In 1943, he was elected Vice President. In 1948, he was elected Executive Vice President and in 1952, President and Chief Executive Officer. He retired from Beatrice Foods in 1976. Since 1976 he has been President of the University of Illinois Foundation, a Trustee of Knox College and a member of the Board of Governors of the Midwest Stock Exchange. He is an Honorary Trustee of Northwestern Memorial Hospital (Chicago) and a Trustee Emeritus of the National Jewish Hospital (Denver). Mr. Karnes is a graduate of the University of Illinois with a Bachelor of Science degree and received a Juris Doctor degree from Northwestern University School of Law. He became a director of Datapoint Corporation in 1977.

Chairman of Finance Committee and member of Audit, Nominating, and Retirement Income Plan Committees

Age: 73

DR. GEORGE KOZMETSKY, Executive Associate for Economic Affairs, The University of Texas System Board of Regents, and Director, Institute for Constructive Capitalism at The University of Texas at Austin.

Dr. Kozmetsky is a member of the Boards of Directors of Heizer Corporation, Teledyne, Inc., MCO Holdings, Inc., MCO Resources, Inc., La Quinta Motor Inns, Inc., Wrather Corporation, and the MAXXAM Group, Inc. (formerly Simplicity Pattern Co., Inc.), and is a trustee of Federated Development Company. Dr. Kozmetsky joined The University of Texas at Austin in 1966 as Dean of the College of Business Administration and the Graduate School of Business and served in that capacity through 1982. He became Director of the Institute for Constructive Capitalism at The University of Texas at Austin in 1977. He is Executive Associate for Economic Affairs to the Board of Regents of The University of Texas System. Between 1940 and 1952, he taught at the University of Washington, Harvard Graduate School of Business Administration and Carnegie Institute of Technology. Dr. Kozmetsky joined Hughes Aircraft Company in 1952. Joining Litton Industries in 1954, he became Vice President of the Electronic Equipment Division. In 1960, he co-founded Teledyne, Inc., and served as its Executive Vice President until 1966. Dr. Kozmetsky is a graduate of the University of Washington and received Master of Business Administration and Doctor of Commercial Science degrees fr[illegible] Harvard University. He became a director of Datapoint in 1973.

Chairman of Retirement Income Plan Committee

Age: 67

DR. WILLIAM C. LEONE, President, MCO Holdings, Inc.

Dr. Leone is a member of the Board of Directors of MCO Holdings, Inc., Sanders Associates, Inc., MCO Resources, Inc., and the MAXXAM Group, Inc. (formerly Simplicity Pattern Co., Inc.). Dr. Leone joined Hughes Aircraft in 1953 as an engineer in the Advanced Electronics Laboratory and advanced to Division Manager, Industrial Systems Division. In 1959, he founded Remex Electronics for Rheem Manufacturing Company and, following the sale of Remex to Ex-Cell-O Corporation, remained with Ex-Cell-O until 1968 in activities involving numerical controls for machine tools. He rejoined Rheem Manufacturing Company in 1968 as Group Vice President and advanced to Executive Vice President. Between 1972 and 1975, Dr. Leone served as President of Rheem Manufacturing Company and was in charge of all manufacturing divisions of City Investing Company, which acquired Rheem; these operations included City Investing International, World Color Press, and Hayes International, in addition to Rheem. Dr. Leone became a member of the Board of Directors of Farah Manufacturing Company in 1973. During 1976 and 1977, he served as President of Farah. He was a business consultant from 1977 to 1979. In 1979, he was elected acting Vice Chairman of the Board of McCulloch Oil Corporation (now MCO Holdings, Inc.) and in 1980 was named President of MCO Holdings, Inc. Dr. Leone is a graduate of Carnegie Institute of Technology and was a member of its faculty from 1946 to 1953. He became a director of Datapoint Corporation in 1976.

Chairman of Nominating Committee and member of Executive and Management Compensation and Stock Option Plan Committees

Age: 60

HAROLD E. O'KELLEY, Chairman of the Board and Chief Executive Officer, Datapoint Corporation.

Mr. O'Kelley was elected President and Chief Executive Officer at the time he joined Datapoint Corporation in 1973 and served in those capacities through March 1982 until Mr. Gistaro's election as President. He was elected a director in April 1973 and Chairman of the Board in 1974. Before joining Datapoint Corporation, he was a Group Vice President of Harris-Intertype Corporation (now Harris Corporation) with worldwide responsibilities for all Harris composition and broadcast equipment. He began his engineering and professional management business career in 1957 when he joined Radiation, Inc. (merged with Harris in 1967) as a Project Engineer. He became Vice President, Operations at Radiation in 1963. In 1964, he became Vice President and General Manager of Radiation Systems Division, and in 1969 was named by Harris-Intertype Corporation as Vice President, Programs of the Harris Electronics Group. Prior to this business affiliation, he taught Electrical Engineering at Auburn University. Mr. O'Kelley became a member of the Board of Directors of Teknekron Infoswitch Corporation in connection with the transfer to that company of the business of Datapoint's Communications Management Products Division in June 1983. The two companies participate in a limited business relationship as a result of the Definitive Agreement governing that transaction. Mr. O'Kelley is a past Chairman of the Computer and Communications Industry Association, a Senior Member of the Institute of Electrical and Electronics Engineers, and a member of the Board of Directors of the National Association of Manufacturers. Active in civic affairs, he is a member of the Board of Directors as well as a Trustee of Southwest Research Institute, and holds numerous other cultural and educational directorships and advisory posts. Mr. O'Kelley holds a Bachelor of Electrical Engineering degree from Auburn University and a Master of Science degree in Engineering from the University of Florida.

Chairman of Executive Committee and *Ex Officio* member of Nominating Committee

Age: 59

Equity Securities of the Company Beneficially Owned by Directors and Officers of the Company

The following table sets forth the ownership of directors and officers of the Common Stock of the Company as of July 28, 1984.[1]

Name of Director	Common Shares Beneficially Owned[2][3]
Gene K. Beare	12,700
Evelyn Berezin	500
Harry G. Bowles	15,800
Edward P. Gistaro	92,200
William G. Karnes	20,400
Thomas J. Klutznick	6,000[4]
Dr. George Kozmetsky	20,000
Dr. William C. Leone	20,000
Harold E. O'Kelley	183,250
Victor D. Poor	38,450
Officers and Directors of the Company as a Group (47 persons)	672,833

Each director beneficially owned less than 1.0% of the outstanding Common Stock of the Company and all officers and directors as a group beneficially owned approximately 3.32% of such stock. The directors had sole voting and investment power over the shares of Common Stock listed above.

(1) As of July 28, 1984, officers and directors of the Company as a group owned beneficially 20 of the Company's 8-7/8% Convertible Subordinated Debentures due June 1, 2006, convertible to 240 shares of the Company's Common Stock.

(2) The share data set forth above and elsewhere in this Proxy Statement has been adjusted to give effect to stock splits in the nature of 100% stock dividends paid by the Company on April 11, 1980, and February 6, 1981.

(3) The information set forth above as to shares of Common Stock of the Company owned by the nominees and officers and directors as a group is current as of July 28, 1984, and includes shares which may be deemed to be beneficially owned by such persons by reason of stock options currently exercisable or which may become exercisable within 60 days of that date. The number of shares deemed to be beneficially owned by reason of such options are as follows: Mr. Beare, -0-; Ms. Berezin, -0-; Mr. Bowles, 10,000; Mr. Gistaro, 39,800; Mr. Karnes, -0-; Mr. Klutznick, 6,000; Dr. Kozmetsky, 20,000; Dr. Leone, -0-; Mr. O'Kelley, 58,650; Mr. Poor, 33,050; and officers and directors of the Company as a group, 401,257.

(4) Excludes 1,020 shares held by a trustee for the benefit of Mr. Klutznick's minor children. Mr. Klutznick denies beneficial ownership of such shares.

Audit, Compensation and Nominating Committees

The Company has standing Audit, Management Compensation and Stock Option Plan, and Nominating Committees of the Board of Directors. The members of those committees have been identified above.

The Audit Committee annually recommends to the Board of Directors independent auditors for the Company and its subsidiaries; meets with the independent auditors concerning the audit; evaluates non-audit services and the financial statements and accounting developments that may affect the Company; meets with management and the Company's internal auditors concerning matters similar to those discussed with the outside auditors; and makes reports and recommendations to the Board of Directors and the Company's management, internal auditors and independent auditors from time to time as it deems appropriate. This Committee met five times during the fiscal year ended July 28, 1984.

The Management Compensation and Stock Option Plan Committee makes salary recommendations regarding senior management to the Board of Directors and administers the Company's Management Incentive Compensation, Stock Option and Executive Performance Award Plans described below. The Management Compensation and Stock Option Plan Committee met six times during the fiscal year ended July 28, 1984.

The Nominating Committee was formed for the purpose of making recommendations to the Board of Directors concerning the qualifications of prospective candidates for election as directors. The Committee will consider the qualifications of candidates for Board membership submitted in writing by stockholders to the Secretary of the Company on or before June 17, 1985, if a written consent from the proposed nominee is included. This Committee met two times during the fiscal year ended July 28, 1984.

Meetings of the Board of Directors and Committees

The Board of Directors met eleven times during the fiscal year ended July 28, 1984. During said fiscal year, each nominee for director of the Company attended at least 75% of the aggregate of: (i) the total number of meetings of the Board of Directors held during such year; and (ii) the total number of meetings held by all committees of the Board on which he served.

RATIFICATION OF APPOINTMENT OF AUDITORS

Subject to stockholder ratification, the Board of Directors has appointed the firm of Peat, Marwick, Mitchell & Co. as auditors for the fiscal year ending July 27, 1985, and until their successors are selected. The appointment was made upon recommendation of the Audit Committee. Peat, Marwick, Mitchell & Co. has served as auditors for the Company since 1969. A representative of Peat, Marwick, Mitchell & Co. will be present at the meeting with the opportunity to make a statement if he desires to do so and it is expected that such representative will be available to respond to appropriate questions. Peat, Marwick, Mitchell & Co. is a co-defendant with the Company and certain of its officers and directors in litigation brought by certain stockholders of the Company. See "LEGAL PROCEEDINGS." The affirmative vote of the holders of a majority of the outstanding shares of Common Stock of the Company present in person or represented by proxy at the Annual Meeting of Stockholders and voting upon such ratification is required for ratification of the appointment of auditors.

A VOTE "FOR" RATIFICATION OF THE APPOINTMENT OF PEAT, MARWICK, MITCHELL & CO. AS AUDITORS IS RECOMMENDED BY THE BOARD OF DIRECTORS.

COMPENSATION OF EXECUTIVE OFFICERS AND DIRECTORS

Compensation of Executive Officers

The following table sets forth all aggregate cash compensation paid by the Company and its subsidiaries for service in all capacities for the fiscal year ended July 28, 1984, with respect to each of the five highest paid executive officers whose aggregate remuneration exceeded $60,000 and all executive officers of the Company as a group. The information set forth below in the Cash Compensation Table with respect to executive officers does not include any data with respect to any portion of the applicable period during which the person was not an executive officer of the Company.

CASH COMPENSATION TABLE

Name of Individual or Number of Persons in Group	Capacities in Which Served	Cash Compensation
H. E. O'KELLEY	Chief Executive Officer and Chairman of the Board	$ 486,446
E. P. GISTARO	President, Chief Operating Officer and a Director	$ 358,631(1)
W. P. MEEHAN	Executive Vice President, Finance and Chief Financial Officer	$ 266,744(2)
J. L. HALE	Executive Vice President, Customer Service and Operations Administration	$ 190,918
D. R. FERNALD	Vice President, Domestic Marketing	$ 185,330(2)
All Executive Officers of the Company as a group (10 persons, including those named above)		$2,177,065

(1) The amount shown includes $44,300 paid as a bonus to discharge indebtedness for stock purchased pursuant to the employment agreement described below between the Company and Mr. Gistaro.

(2) Amounts shown include payments incident to the relocation of certain officers in the following amounts: Mr. Meehan, $57,796; Mr. Fernald, $36,381.

The amounts shown above as cash compensation exclude certain expenditures by the Company and its subsidiaries which are or may be deemed to be of some personal benefit to executive officers. The Company, after reasonable inquiry, is unable to determine how much of these excluded expenditures were not directly related to performance of the Company's business activities, but it believes that this amount would not exceed the lesser of 10% of cash compensation or $25,000 for any listed executive officer or for the average of all executive officers of the Company as a group.

Compensation of Directors

Directors who are employees of the Company receive no additional compensation for serving on the Board of Directors or its committees. Each director who is not an employee of the Company receives an annual fee of $11,000, payable in quarterly installments. Each non-employee director also receives a fee of

$750 for each Board meeting attended, $500 for each committee meeting attended on a day other than the date on which a Board meeting is held, $300 for each committee meeting attended on a day on which a Board meeting is held and $500 for attendance at each meeting on Company business other than a Board or committee meeting. Each non-employee director of the Company is, at the Company's expense, provided with $50,000 of group term life insurance and $250,000 of accidental death insurance. The aggregate cost to the Company of such benefits for all non-employee directors for the fiscal year ended July 28, 1984, was $1,086. Each non-employee director of the Company has the option to purchase, at his expense, coverage for himself and his dependents under the Company's group medical and dental insurance plan. The Company maintains a retirement plan and a retirement medical care plan to cover non-employee Board members. Both plans presently are purely contractual rather than funded and are self-insured except that retirees are required to participate in Medicare parts A and B. The retirement plan provides for a maximum benefit equal to a Board member's annual retainer in effect on the date of retirement. No benefit will be paid to directors with less than five years of service on the Board of Directors, a prorated benefit will be paid to directors with from five to ten years of service, and a full benefit will be paid to directors with ten or more years of service. The benefit will be payable for the greater of ten years or life, and in the event a retiree should die within ten years of retirement, the remaining benefit will be paid to his estate. Retirement will be mandatory at age 70 for all directors who initiate their service on the Board of Directors after July 31, 1983. The retirement medical care plan affords non-employee Board members, upon retirement, benefits equivalent to those of non-retired employees under the Company's group medical plan. No cost was incurred in connection with such plans during the fiscal year ended July 28, 1984.

Stock Options

The Company has issued stock options to officers and other key employees under its 1974, 1977 and 1983 Stock Option Plans, which Plans have been approved by the stockholders of the Company.

The 1974 and 1977 Plans authorized the purchase of 1,000,000 shares and 2,000,000 shares, respectively (adjusted for stock splits in the form of 100% stock dividends) of the Company's Common Stock upon the exercise of options granted under the Plans. The 1983 Plan authorized the purchase of 600,000 shares. No further options may be granted under the 1974 Plan after November 21, 1984. As of July 28, 1984, 5,182 shares remained available for the grant of options under the 1974 Plan, 3,850 shares remained available under the 1977 Plan and 561,825 shares remained available under the 1983 Plan.

The Plans are administered by the Management Compensation and Stock Option Plan Committee of the Board of Directors ("Committee"), which is comprised of at least three Board members not eligible to receive options under the Plans. The Plans provide for the grant of non-qualified stock options, incentive stock options and stock appreciation rights. Options granted under the Plans are not exercisable for at least six months after they are granted, and expire, if not already exercised, at the conclusion of their ten-year terms. The exercise price is required to be at least 75% of the fair market value of the Common Stock as of the date of the grant of an option, and for incentive stock options, the price must be at least fair market value. The Committee is empowered to establish conditions upon the exercisability of options. Options cannot become exercisable after termination of employment, but in most cases options exercisable prior to termination of employment remain exercisable for a period of six months.

As a matter of practice, the Committee has not granted options at less than fair market value. Most options become exercisable in four cumulative 25% installments coincident with the first through fourth anniversaries of their grant. Options granted pursuant to the Company's Executive Performance Award Plan (hereinafter described) become exercisable in one block upon the third anniversary of their grant. The Company has granted no stock appreciation rights to date.

The following table shows, as to certain executive officers and all executive officers as a group, the number of shares of Common Stock subject to options granted during the fiscal year ended July 28, 1984, and the average exercise price thereof.

	H. E. O'Kelley	E. P. Gistaro	W. P. Meehan	J. L. Hale	D. R. Fernald	All Executive Officers as a group
Granted August 1, 1983 to July 28, 1984:						
Number of Options	10,000	6,000	4,000	4,000	2,000	40,100
Average Per Share Exercise Price	$21.25	$21.25	$21.25	$21.25	$21.25	$21.25

There were no options exercised by executive officers during the period August 1, 1983, to July 28, 1984, and therefore, no net value of securities (market value less exercise price) or cash was realized by any executive officer during that period.

Material Employment Agreements

The Company has previously entered into separate employment agreements with Messrs. O'Kelley and Gistaro, dated January 1, 1978, and February 29, 1980, respectively, which, as amended, provide for and govern the Company's employment of such corporate executive officers through February 1, 1985, and September 2, 1985, respectively, and provide for automatic renewal on an annual basis thereafter unless terminated by either the officer or the Company. Each such agreement also provides that upon any termination of the officer's employment, either voluntarily or involuntarily, within twelve months after the happening of certain defined events leading to a change of control of the Company ("Change of Control Event"), he shall be entitled to termination compensation equal to three years' compensation and benefits, except for performance-related benefits, to which he would have been entitled had his employment not terminated. Furthermore, the agreements between each of the officers and the Company provide that in the event the officer's employment should terminate within twelve months of a Change of Control Event, the exercisability of his then-outstanding stock options will be accelerated, subject to certain limitations appearing in the stock option plan(s) under which the options were granted, to the date that notice of termination of employment is given by the Company or the officer. The current minimum annual base salaries specified by the foregoing agreements are: Mr. O'Kelley, $300,000; and Mr. Gistaro, $200,000.

As previously disclosed in prior proxy statements, pursuant to Mr. Gistaro's employment agreement, 8,000 shares of the Company's Common Stock were sold to him, at a price equal to the closing price of such stock for New York Stock Exchange—Composite Transactions, as reported by the Southwest Edition of *The Wall Street Journal*, for the date of his agreement ($27.75 per share). The consideration for the shares purchased by Mr. Gistaro consisted of a cash down payment of $500, equal to the par value of the stock, and promissory notes, bearing an annual interest rate of 10%, which mature serially and in equal principal amounts of $44,300 on the first through fifth anniversary dates of the original agreement. Provided that Mr. Gistaro has not breached his employment agreement, the Company has agreed to pay him an annual bonus equal to the principal amount of each note as it matures. Such bonuses are in addition to any other sums which might be payable Mr. Gistaro pursuant to any other compensation arrangement or plan of the Company. The largest aggregate amount of Mr. Gistaro's total indebtedness to the Company, as described above, during the fiscal year ended July 28, 1984 and the amount of such indebtedness as of September 21, 1984, were $88,600 and $44,300, respectively.

The employment agreement of Mr. O'Kelley provides that, in the event of his disability, he will receive monthly, until the earlier of his recovery or retirement, an amount which, when added to Social Security benefits and benefits payable to him pursuant to the Company's group long-term disability insurance program, will aggregate 60% of his highest base salary paid during the 60 months immediately prior to such disability. In the event of Mr. Gistaro's disability, he will receive an amount equal to his base salary for one year, less benefits otherwise payable under the Company's long-term disability plan and Social Security benefits.

Pursuant to their respective employment agreements, Messrs. O'Kelley and Gistaro are entitled to receive annual supplemental retirement benefits, in addition to any benefits payable to them under the Social Security Program or the Company's Retirement Income Plan, based upon formulae set forth in such agreements. Such formulae provide for payments of: (i) 100% of average base salary and 50% of average bonus paid over the last five years of employment; (ii) reduced by Company Retirement Income Plan and primary Social Security benefits payable; (iii) multiplied by a percentage equal to the total of (a) 3% per year for the first ten years of Mr. O'Kelley's employment and 1.5% per year for each year thereafter, and (b) 1.6% per year for each year of Mr. Gistaro's employment. Based upon such formulae and 120% of current compensation, and assuming a $9,000 annual Social Security benefit and retirement at age 65, these supplemental annual benefits would be $105,120 and $43,560, respectively, for Messrs. O'Kelley and Gistaro. In addition, in the event of the death of either of the aforementioned officers, such officer's designated beneficiary will receive the base salary of that officer for a period of one year. Finally, pursuant to the employment agreements described above, the Company orginally agreed to provide life insurance policies payable to such officers' designated beneficiaries. However, those policies were replaced with the benefits provided by the Executive Benefit Plan, described below, upon the adoption of that plan. Benefits to be provided to the designated beneficiaries of Messrs. O'Kelley and Gistaro under the Executive Benefit Plan are supplemented by life insurance policies purchased by the Company of total face amounts of $550,000 and $400,000, respectively, for which the Company during the fiscal year ended July 28, 1984 paid premiums of $5,436 and $1,197, respectively. The entire amount of Mr. Gistaro's supplemental insurance is term life insurance. A portion of Mr. O'Kelley's supplemental insurance is whole life insurance, the premium for the term portion of which is paid by the Company.

On December 26, 1982, Mr. William P. Meehan joined the Company as Executive Vice President Finance and Chief Financial Officer. In connection with his employment, Mr. Meehan and the Company entered into an agreement which, among other things, provides for an annual base salary of $145,000 and provides that: (i) should Mr. Meehan's employment be involuntarily terminated prior to December 22, 1984, he will receive an extension of pay and benefits through the later of that date or a date six months following the date of actual termination; and (ii) upon any termination of Mr. Meehan's employment either voluntarily or involuntarily, prior to December 22, 1984, but subsequent to a Change of Control

Event, Mr. Meehan will be entitled to a guaranteed minimum of six months' employment plus lump-sum termination compensation equal to $200,000. In addition, the Management Compensation and Stock Option Plan Committee has granted to Mr. Meehan an option under the Company's 1977 Stock Option Plan for 15,000 shares of Common Stock at an exercise price per share of $18.625 and an option under the Company's 1974 Stock Option Plan for 15,000 shares of Common Stock at an exercise price per share of $18.125. These options vest in four equal annual installments commencing December 21, 1983, under the 1977 Plan grant, and January 6, 1984, under the 1974 Plan grant, and Mr. Meehan's employment agreement provides that should a Change of Control Event occur prior to December 22, 1984, the Company will recommend to the Management Compensation and Stock Option Plan Committee that the exercisability of Mr. Meehan's then-outstanding stock options be vested upon the happening of such Change of Control Event.

Mr. Lawrence Seligman, formerly the Company's Executive Vice President, Office and Computer Products Group, resigned as an officer of the Company effective March 29, 1984. In connection with his resignation, Mr. Seligman and the Company agreed, among other things, that Mr. Seligman would continue in the employ of the Company with full salary and benefits, except bonuses, through November 7, 1984. Various other aspects of Mr. Seligman's employment agreement with the Company, reported in prior proxy statements, including those provisions relating to lump-sum termination compensation upon the occurrence of a Change of Control Event, were terminated in connection with his resignation.

Effective September 2, 1984, the Company and Victor D. Poor, formerly Executive Vice President, Datapoint Technology Center, and a director of the Company, entered into a third amendment to an employment agreement between Mr. Poor and the Company which was originally entered into as of June 30, 1978. This amendment, among other things, provided for: (i) Mr. Poor's resignation of his position as an officer of the Company, and (ii) his service as a technology consultant to the Chairman of the Board of the Company through September 1, 1985, at an annual salary of $160,000. The amendment also terminated the provisions, described in prior proxy statements, which were to apply upon the happening of a Change of Control Event.

Management Incentive Compensation Plan

In 1973, the Board of Directors adopted the Management Incentive Compensation Plan ("MIC") which, as amended, can provide officers with annual cash bonus awards in addition to regular salaries. MIC is administered by the Management Compensation and Stock Option Plan Committee of the Board of Directors, comprised entirely of directors who are not employees of the Company. No member of that Committee is eligible for awards under MIC. The Board of Directors, with respect to each year, appraises the overall performance of the Company in the attainment of profit and other objectives and establishes the amount of the appropriation, if any, which the Board deems advisable or desirable to be made to the Management Incentive Compensation Fund for distribution to such employees as may be selected by the Management Compensation and Stock Option Plan Committee for participation in MIC with respect to that year. An appropriation to the Fund can be made or by the Board of Directors of the Company. In 1978, the Board of Directors stipulated that in no event would an appropriation to the Fund be made which would reduce pre-tax return on invested capital below 8%. Awards under MIC during the fiscal year ended July 28, 1984, to the named executive officers and all executive officers as a group are included in the Cash Compensation Table.

Executive Performance Award Plan

In 1978, the Board of Directors approved, and the stockholders ratified, the Executive Performance Award Plan ("Performance Plan") for key executives of the Company and its subsidiaries. The Performance Plan is administered by the Management Compensation and Stock Option Plan Committee of the Board of Directors, comprised entirely of directors who are not employees of the Company. No member of that Committee is eligible for awards under the Performance Plan. Such awards are in the form of performance units. The performance units under each three-year Performance Plan period ("Performance Period") have a varying cash value at the time of payment, depending upon the extent to which Performance Period objectives are met. Such objectives relate to the Company's achievement of certain performance goals measured in terms of either cumulative earnings per share or return on invested capital over any one three-year Performance Period. The Committee, at the beginning of each Performance Period, establishes the objectives that will be used to measure performance during that period. The Committee may not, among other things: (i) set an objective based upon a pre-tax return on capital of less than 8%, or decrease an established objective below that level; (ii) set an objective based upon fully diluted cumulative earnings per share for any Performance Period equal to an amount less than the fully diluted net earnings per share for the fiscal year immediately preceding the commencement of the Performance Period compounded at a rate equal to 5% per annum for the duration of the Performance Period; or (iii) make contingent awards under the Performance Plan, the aggregate value of which, in any fiscal year, exceeds 10% of the Company's average annual income before taxes for the five-year period immediately preceding the fiscal year in which such contingent awards are made. In connection with the Performance Plan, stock options which do not become exercisable for three years from the date they are granted may also be made.

The Committee, in its discretion, can make contingent awards in each fiscal year. Accordingly, each participant in the Performance Plan may, from time to time, hold more than one contingent award. Awards are paid in cash as soon as practical after financial statements have been certified by the Company's independent public accountants and all other necessary financial data relating to the completed Performance Period is received. No individual award payment can exceed 150% of the product of the number of performance units awarded and the closing price per share of the Company's Common Stock on the New York Stock Exchange on the first day of August of the year in which the award is made. No payments were made under the Performance Plan for the Performance Period ended July 28, 1984.

Executive Benefit Plan

Effective November 1, 1980, the Board of Directors adopted the Executive Benefit Plan ("EBP") in order to provide certain insurance benefits to a select group of management employees who contribute materially to the continued growth, development and future business success of the Company. A committee of the Board of Directors selects EBP participants and is responsible for the administration of the plan. In general, in the event an EBP participant dies while in the Company's employ, his designated beneficiaries will receive an amount equal to three or four times his base salary, payable in monthly installments over six or eight years. To meet its obligations under EBP, the Company has obtained life insurance policies on the life of each participant. The Company paid the following amounts in connection with EBP during the fiscal year ended July 28, 1984: Mr. O'Kelley, $21,406; Mr. Gistaro, $9,453; Mr. Meehan, $6,889; Mr. Hale, $3,814; Mr. Fernald, $3,989; and all executive officers as a group, $79,814.

Retirement Income Plan

The Company maintains, solely at its cost, a Retirement Income Plan ("Retirement Plan") for its officers and employees. During the fiscal year ended July 28, 1984, the employees of Inforex, Inc., a wholly owned subsidiary of the Company, were brought into the Retirement Plan with full credit for past service. The amounts included in the Cash Compensation Table do not include any compensation attributable to the Retirement Plan. Pension payments are based on the average base salary of the highest consecutive five out of the last ten years of an employee's service, subject to reduction based upon a portion of any Social Security benefits received. Therefore, the amounts reported in the Cash Compensation Table, which are not limited to base salaries, exceed the compensation covered under the Retirement Plan. Annual benefits payable under the Retirement Plan equal 40% of the final average earnings during such five-year period less one-half of projected Social Security benefits, multiplied by a fraction consisting of years of service (numerator) divided by 30 years (denominator). Participants have the option to elect early retirement as early as age 55 with reduced benefits. Several methods of settlement are available under the Retirement Plan. Directors who have not been officers or employees of the Company do not participate in the Retirement Plan. See "Compensation of Directors."

Assuming that an employee is entitled to an annual Social Security benefit of $9,000 for retirement at age 65, the table below illustrates the additional amount of annual pension benefits payable by the Company as a retirement benefit to a person in the specified average salary and years-of-service classifications. The average remuneration covered by the Retirement Plan for the fiscal year ended July 28, 1984, and the credited years of service of the persons named in the Cash Compensation Table, are as follows: Mr. O'Kelley, $306,923, 11.5 years; Mr. Gistaro, $204,616, 11.2 years; Mr. Meehan, $152,212, 2.2 years; Mr. Hale, $126,540, 6.2 years; and Mr. Fernald, $117,212, 2.2 years.

Five Years Average Covered Compensation	Years of Service			
	15	20	25	30
$100,000	$17,750	$23,667	$29,583	$35,500
$150,000	$27,750	$37,000	$46,250	$55,500
$200,000	$37,750	$50,333	$62,917	$75,500
$250,000	$47,750	$63,667	$79,583	$90,000
$300,000	$57,750	$90,000	$90,000	$90,000
$350,000	$67,750	$90,000	$90,000	$90,000
$400,000	$77,750	$90,000	$90,000	$90,000

These amounts are presently restricted by provisions of the Employee Retirement Income Security Act of 1974 ("ERISA") without adjustment for future cost-of-living increases. Effective January 1, 1983, ERISA limited future benefits to $90,000 per year for all affected individuals. For information regarding supplemental retirement benefits payable to Messrs. O'Kelley and Gistaro, see "Material Employment Agreements."

LEGAL PROCEEDINGS

The Company, certain of its officers and directors, and its independent auditors have been named as defendants in 19 actions brought by multiple plaintiffs, purportedly representing an alleged class of persons who purchased securities, debentures or options to purchase securities of the Company during the period August 1, 1980, through April 29, 1982, and "short" sellers of the Company's Common Stock who made covering purchases during the period August 1, 1980, through May 4, 1982. These actions have been consolidated for discovery and pretrial purposes in the United States District Court for the Western District of Texas and are styled *In Re Datapoint Securities Litigation,* Civil Action No. SA-82-CA-338 ("Consolidated Action"). The complaints in the Consolidated Action allege that the Company, Harold E. O'Kelley, Edward P. Gistaro, Richard V. Palermo, Victor D. Poor, and the Company's independent auditors, Peat, Marwick, Mitchell & Co., violated Sections 11 and 15 of the Securities Act of 1933, and Sections 10(b) and 20 of the Securities Exchange Act of 1934 and Rule 10b-5 promulgated thereunder, as a result of alleged misrepresentations and omissions in connection with the issuance of the Company's financial statements and the disclosure of the financial condition of the Company over the period August 1, 1980, through May 4, 1982, and concerning earnings of the Company and its financial condition in connection with the issuance of the Registration Statement and Prospectus covering the Company's 8⅞% Convertible Subordinated Debentures due June 1, 2006, dated May 28, 1981. The Consolidated Complaint also alleges that defendant Peat, Marwick, Mitchell & Co. failed to follow generally accepted auditing standards in rendering its opinion on the Company's financial statements. The complaint on behalf of the "short" sellers further alleges a pattern of activity on the part of the Company and the individual defendants, which is purported to give rise to treble damage civil liability under the civil provisions of the Racketeer Influenced and Corrupt Organization Act, 18 U.S.C. Section 1964. The amount of damages sought in the Consolidated Action is not specified.

By order dated December 29, 1983, the Court certified the Consolidated Action as a class action for the determination of specific issues on behalf of the following classes of purchasers and sellers: (a) purchasers of the Company's securities and options to purchase the Company's Common Stock during the period from August 1, 1980, through April 29, 1982; (b) purchasers of the Company's 8⅞% Convertible Subordinated Debentures during the period from May 28, 1981, through April 29, 1982; (c) sellers of "put" options on the Company's Common Stock during the period from August 1, 1980, through April 29, 1982; and (d) "short" sellers of the Company's Common Stock who made covering purchases during the period from August 1, 1980, through May 4, 1982. The Company and the named individual defendants have denied the material allegations in the Consolidated Action and intend to vigorously defend themselves in this action.

On April 19, 1982, a stockholders' derivative suit was filed in the Court of Chancery of the State of Delaware, New Castle County, by Bruce Doniger who alleges that he is a stockholder of the Company. The suit names as defendants one former director and nine present directors of the Company. The complaint alleges that defendants Harold E. O'Kelley, Edward P. Gistaro, Harry G. Bowles and Richard V. Palermo, who sold shares of the Company's Common Stock during the period June 23, 1981, through January 18, 1982, did so with the knowledge that the Company would not in the future be able to maintain the level of earnings it had achieved in the preceding few years and in so doing breached the fiduciary duty these persons owed the Company. The complaint further alleges that the remaining six defendant directors, Victor D. Poor, Gene K. Beare, William G. Karnes, Thomas J. Klutznick, George Kozmetsky and William C. Leone, who did not sell shares of the Company's Common Stock during the above period, had knowledge of and acquiesced in the allegedly unlawful sales of the other defendants and thus breached their fiduciary duty to the Company. The amount of damages sought is not specified. This action has been stayed pending discovery in the consolidated actions styled *In Re Datapoint Securities Litigation* described above, and the parties have agreed that all discovery in *Doniger* will be conducted as part of the discovery in the Consolidated Action.

OUTSTANDING VOTING EQUITY SECURITIES

The following table lists the only persons known to the Company to be the beneficial owner of more than 5% of any class of the Company's equity securities. "Percent of Class" is based on the number of shares outstanding as of September 21, 1984.

Name and Address of Beneficial Owner	Amount and Nature of Beneficial Ownership(1)	Percent of Class
Trust Company of the West 400 South Hope Street, Suite 500 Los Angeles, California 90071	1,187,725	5.97%
The Putnam Management Company One Post Office Square Boston, Massachusetts 02109	1,099,300	5.53%

(1) Information with respect to beneficial ownership is current as of June 30, 1984, and is based upon information furnished by each shareholder or contained in filings made with the Securities and Exchange Commission. The Company has no direct information concerning the portions of such holdings with respect to which the named holders have sole or shared investment or voting power.

For information relating to security ownership of directors and management of the Company, see "Equity Securities of the Company Beneficially Owned by Directors and Officers of the Company."

STOCKHOLDER PROPOSALS

Proposals by stockholders intended to be presented at the 1985 Annual Meeting of Stockholders must be received by the Company at its principal executive office for inclusion in the Company's proxy statement and form of proxy relating to that meeting not later than June 17, 1985. Stockholders submitting such proposals are requested to address them to the Secretary of the Company at the address set forth on the first page hereof. It is suggested that such proposals be sent by Certified Mail, Return Receipt Requested.

LIST OF STOCKHOLDERS

Between November 5, 1984, and the 1984 Annual Meeting of Stockholders, a complete list of stockholders entitled to vote at such meeting, arranged in alphabetical order, and showing the address of each stockholder and the number of shares registered in the name of each stockholder, shall be open for examination during ordinary business hours by any stockholder, for any purpose germane to the meeting, at the Company's principal executive offices at 8119 Datapoint Drive, San Antonio, Texas 78229.

OTHER MATTERS

The expenses of the solicitation of proxies will be borne by the Company. Proxies may be solicited by officers, directors and employees of the Company by personal interview, mail, telephone or telegram. The Company will request brokers and other fiduciaries to forward proxy-soliciting material to the beneficial owners of shares which are held of record by them. In addition, the Company has engaged the services of The Kissel-Blake Organization, Inc., 26 Broadway, New York, New York 10004, to solicit proxies by mail, telephone, telegram or personal contact. It is estimated that the cost of any professional solicitation will be approximately $7,000 plus reasonable out-of-pocket expenses.

Management is not aware of any other business to be presented for action at the meeting. However, if any other matter is properly presented, it is the intention of the persons named in the enclosed form of proxy to vote in accordance with their judgment on such matter.

By Order of the Board of Directors

HELAINE B. HARTHCOCK
Secretary

October 15, 1984

DATAPOINT CORPORATION

ANNUAL MEETING OF STOCKHOLDERS NOVEMBER 15, 1984

THIS PROXY IS SOLICITED ON BEHALF OF THE BOARD OF DIRECTORS

The undersigned hereby appoints H. E. O'Kelley and H. B. Harthcock, and each of them, with full power of substitution, Proxies of the undersigned to vote all shares of Common Stock of Datapoint Corporation (the "Company") which the undersigned is entitled to vote at the Annual Meeting of Stockholders to be held on November 15, 1984, and all adjournments thereof, with all the powers the undersigned would possess if personally present, and particularly, without limiting the generality of the foregoing, to vote and act as follows:

1. Election of eight directors of the Company.

FOR all nominees listed below (except as marked to the contrary below)

WITHHOLD AUTHORITY to vote for all nominees listed below

Gene K. Beare, Evelyn Berezin, Harry L. Bowles, Edward P. Gistaro, William G. Karnes, George Kozmetsky, William C. Leone, Harold E. O'Kelley

(INSTRUCTION: To withhold authority to vote for any individual nominee, write the nominee's name in the space below.)

____

2. Ratification of the appointment of Peat, Marwick, Mitchell & Co. as the Company's independent auditors for the fiscal year ending July 27, 1985.

FOR **AGAINST** **ABSTAIN**

3. In their discretion, upon such other matters as may properly come before the meeting.

THIS PROXY WILL BE VOTED AS SPECIFIED ABOVE. IF NO SPECIFICATION IS MADE, THIS PROXY WILL BE VOTED "FOR" THE ELECTION OF EACH DIRECTOR NAMED HEREIN AND "FOR" RATIFICATION OF APPOINTMENT OF PEAT, MARWICK, MITCHELL & CO. AS THE COMPANY'S INDEPENDENT AUDITORS.

Dated ______________________ 1984
Please fill in date

NOTE: Please sign as name appears. Joint owners should each sign.

____
Signature of Stockholder

____
Signature of Stockholder

When signing as Attorney, Executor, Administrator, Trustee or Guardian, please give full title as such. If signer is a corporation, please sign with the full corporation name by duly authorized officer or officers.