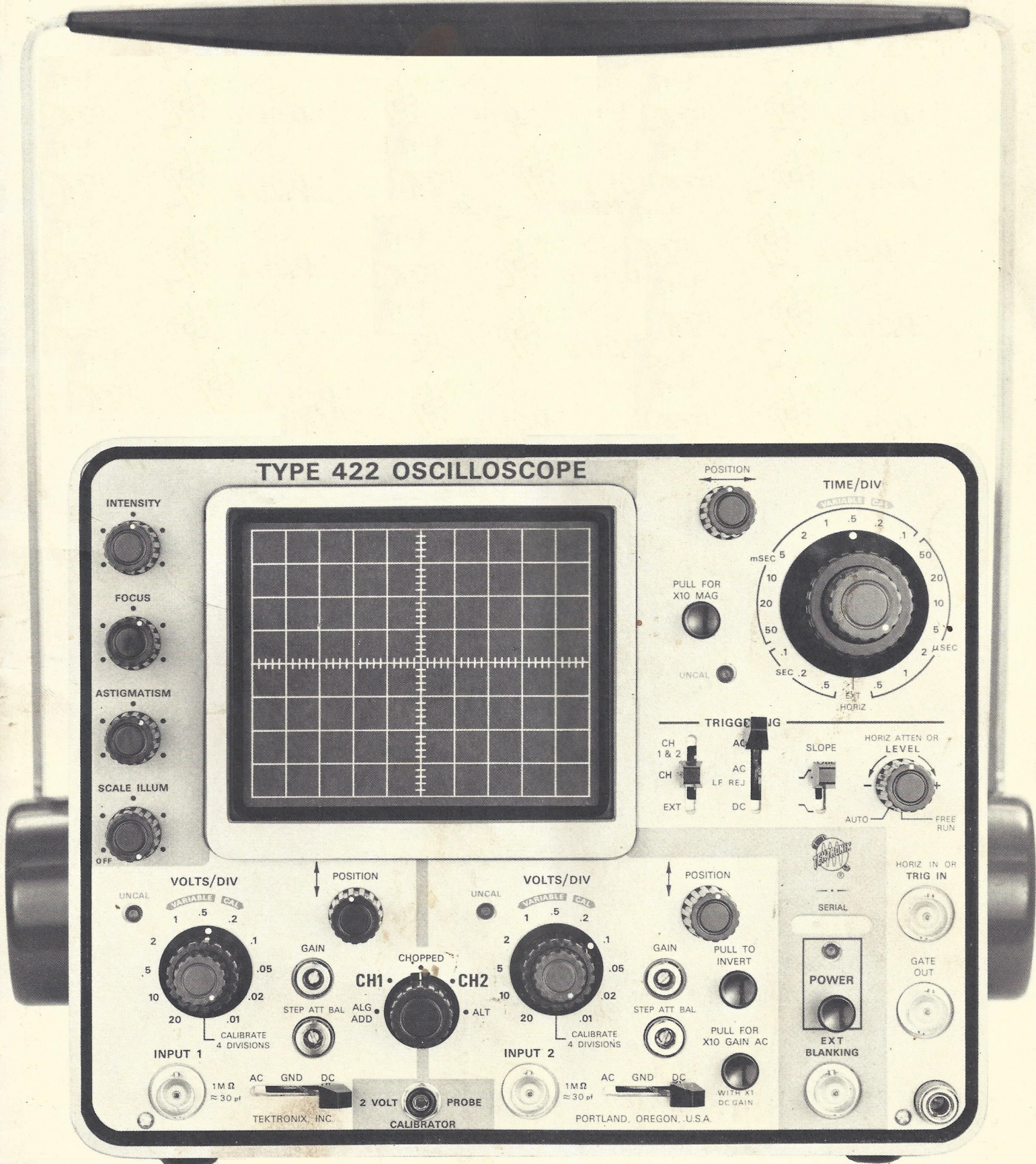




TEKTRONIX, INC.

1965

ANNUAL REPORT





TO SHAREHOLDERS AND EMPLOYEES:

Again, at the end of another fiscal year, it is a pleasure to report the results of Tektronix operation for the year.

Along with the report of operations and the financial and statistical results of the year, we are again including brief items relating to company history, facilities, markets, customer relations and similar subjects, which we hope will increase your understanding of Tektronix and its operating philosophy.

As shown in detail in the statistical pages, the year was marked by new highs in all significant items. Earnings for the 52-week year totaled \$7.3 million, up from \$6.3 million for the 53-week year ended May 30, 1964. Per-share earnings were 91 cents, up from 78 cents. Net sales increased from \$75.5 million to \$81.1 million; customer orders, to \$84.7 million from \$76.9 million; shareholders' equity, to \$44.3 million from \$38.3 million.

Along with the financial results, it is most satisfying to report that in the past year the Tektronix organization, company-wide, has reached a new high in overall ability. Individuals in key positions—at all levels—have again demonstrated significant growth and development. We see a spirit of confidence and an assurance that individual commitments will be met, resulting in a team effort capable of meeting and solving the ever more complex problems we face.

Among the overall results are these:

Important new instrument types are going into production with fewer problems; changes in various areas of organization and management, which are so necessary to improve efficiency and meet ever-changing circumstances, can be made more quickly and smoothly; manufacturing schedules are more closely

tied to orders; finished-goods inventories are reduced, both in the US and overseas; European manufacturing and marketing operations are more closely coordinated with domestic . . . the list could go on.

Regarding our international operations, it is worth noting that sales in that area reached \$25.9 million, up from \$22.3 million, constituting 32 per cent of our total sales.

On a recent visit to our European subsidiaries, I was very favorably impressed with their high, and constantly improving, level of quality and competence. It is also gratifying to observe that their communities' governmental and civic leaders hold these operations in great regard.

As we watch the 230,000-square-foot Technical Center approach completion, the research and engineering people and those in management who also will work there become anxious to move in. The excellence of its facilities and the opportunities for closer, more informal contacts among groups now in various locations will, I am sure, be of major significance to the future of Tektronix.

In summary, we have looked back on a year of accomplishment and progress. With the continuing efforts of the skilled and dedicated Tektronix people being more and more effectively focused on the problems at hand, we look confidently to the future.

Again we extend an invitation to any of you shareholders who may be in the Portland-Beaverton area to visit your company. I am sure you would find it interesting and satisfying.

Howard Vollum
President

ELECTRONICS EMERGES TODAY NOT ONLY AS AN INDUSTRY BUT ALSO AN INFLUENCE. TECHNOLOGIES ALREADY EXIST THAT WILL ALLOW SUCH AN INTERWEAVING OF ELECTRONICS THROUGHOUT SOCIETY THAT IT WILL NO LONGER BE CORRECT TO SPEAK OF AN "ELECTRONICS INDUSTRY." WHEN THAT HAPPENS, THE SIZE OF THE MARKET FOR WAVEFORM MEASURING DEVICES MAY WELL BE INCONCEIVABLE. THE MOST IMPORTANT SUCH INSTRUMENT IS THE OSCILLOSCOPE.

