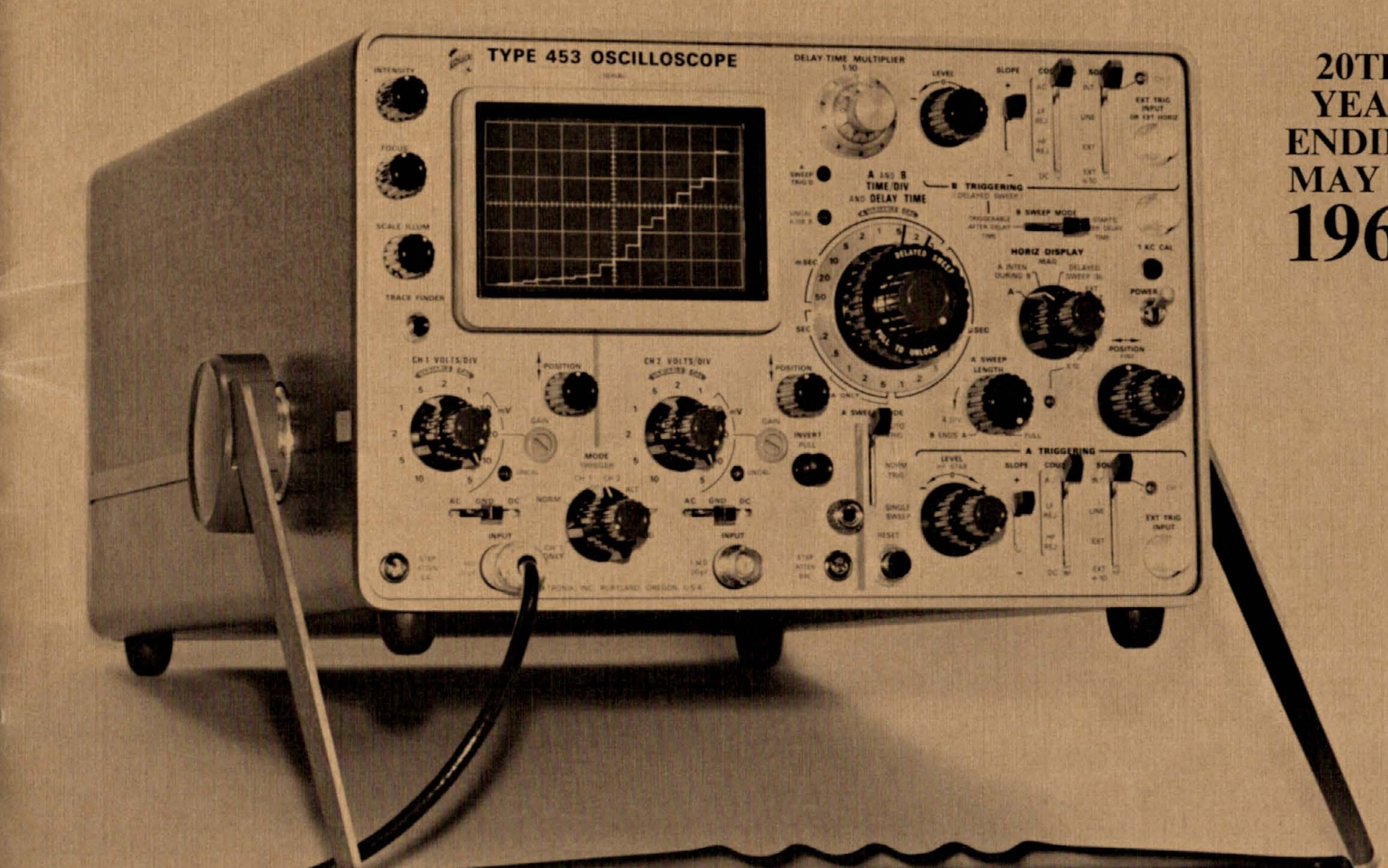
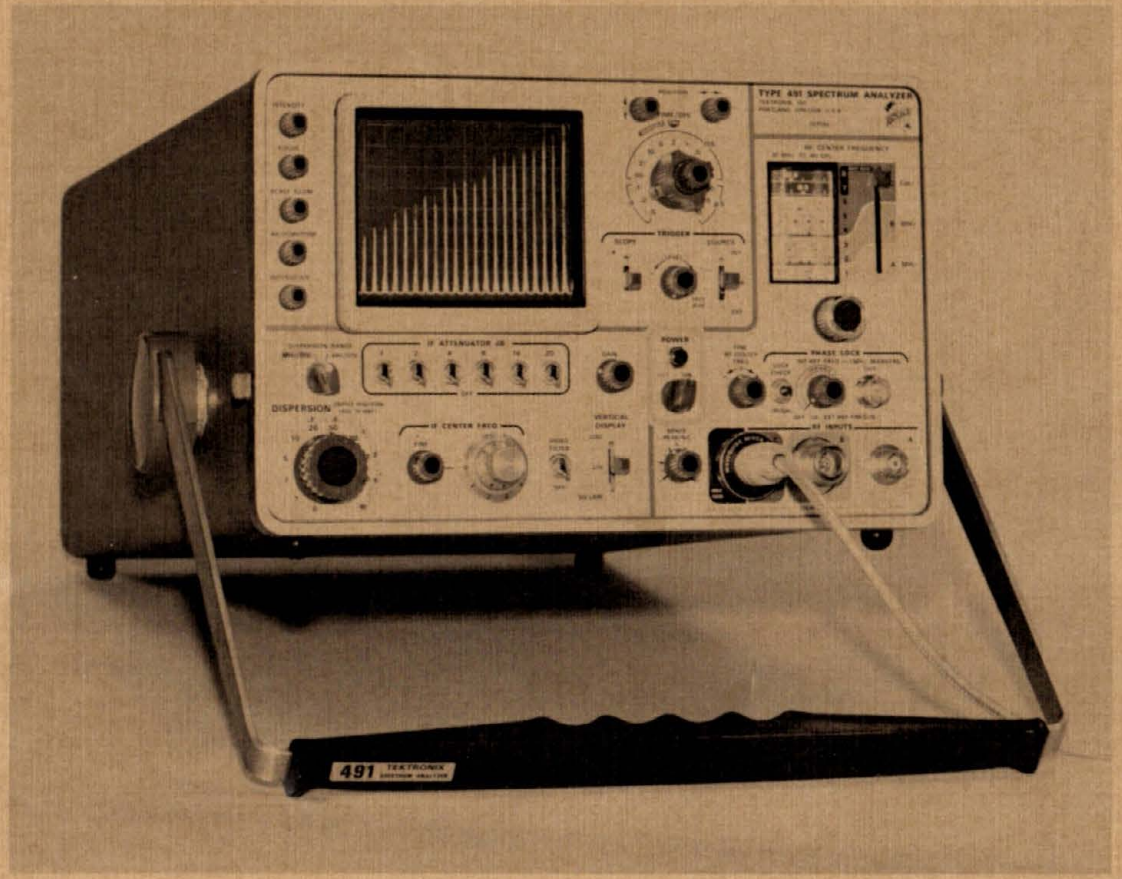
ANNUAL REPORT TEKTRONIX, INC.



20TH YEAR ENDING MAY 28 1966



COVER—The type 453 portable oscilloscope, introduced this year, has gained exceptional response from the computer industry as well as for general-purpose laboratory use. Its graph depicts Tektronix net sales for years 1948-66. Inside cover photo shows a typical display on the type 491 spectrum analyzer, to be introduced in August at the annual WESCON electronics show in Los Angeles.

Transfer Agents

UNITED STATES NATIONAL BANK OF OREGON
Portland, Oregon

MORGAN GUARANTY TRUST COMPANY
New York, New York

Registrars

FIRST NATIONAL BANK OF OREGON
Portland, Oregon

FIRST NATIONAL CITY BANK
New York, New York

1966 ANNUAL REPORT

CONTENTS

TEKTRONIX, INC., P.O. BOX 500, BEAVERTON, OREGON 97005

TEKTRONIX FINANCIAL HIGHLIGHTS

The annual accounting period is the 52 or 53 weeks ending the last Saturday in May.

1965		1966		Increase	
$81,099,000	100%	$101,759,000	100%	25%	**RECEIVED BY THE COMPANY** Mostly from the sale of oscilloscopes and related instruments.
73,780,000	91%	90,707,000	89%	23%	**RELATED COSTS AND EXPENSES**
29,120,000	36%	34,147,000	34%	17%	TO OUTSIDE SOURCES To pay for raw materials; purchased parts; advertising space and services; insurance; rent; utilities; interest, and other business expenses.
35,252,000	43%	45,556,000	45%	29%	FOR EMPLOYEES To pay the men and women who design, make, sell and service our instruments—including profit share, social security and other employee benefits.
2,342,000	3%	2,454,000	2%	5%	FOR USE OF FACILITIES OWNED To provide for depreciation in value of buildings, machinery and equipment resulting from use, wear and age, mostly computed by sum-of-year's-digits method.
7,066,000	9%	8,550,000	8%	21%	FOR TAXES To pay U. S., foreign, state and local taxes and licenses.
7,319,000	9%	11,052,000	11%	51%	**RESULTING IN EARNINGS** Used to retire debt and expand our business.
91c		$1.38		52%	**EARNINGS PER COMMON SHARE**
84,748,000		115,866,000		37%	**ORDERS RECEIVED** Customers' orders measured at U. S. catalog price.

1965	1966		Increase (Decrease)
$39,064,000	$52,781,000	Current Assets	$13,717,000
$14,397,000	$20,864,000	Current Liabilities	$ 6,467,000
$24,667,000	$31,917,000	Working Capital	$ 7,250,000
$19,516,000	$22,721,000	Facilities — Net	$ 3,205,000
$ 502,000	$ 459,000	Long-Term Borrowings	$ (43,000)
$44,275,000	$54,819,000	Shareholders' Equity	$10,544,000
8,008,000	7,984,000	Common Shares Outstanding	(24,000)
4,982	6,482	Number of Employees at Year End	1,500

TO SHAREHOLDERS AND EMPLOYEES:

A rewarding part of my job is to share with you, at the end of a good year, some comments on that year's achievements. As the financial portions of this report show, the year saw Tektronix reach a new level of activity; orders, sales, production and earnings all increased.

It is pleasant also to reflect on what those statistics mean in terms of human accomplishment. For our success is nothing more than the sum total of individual achievements by the men and women of Tektronix.

To substantially increase production, yet to keep our company growth orderly, has been the subject of continued discussions and deep concern. Through careful selection from an excellent group of applicants, we were fortunate to be able to add 1500 persons of very high caliber.

Our goal is to hire the best people, and provide an atmosphere that offers them continuing opportunity to develop and to advance. We are convinced a long-term policy of stable employment and growth opportunity is wisest and best; it results in a trained, experienced and dedicated work force—such as did a truly outstanding job this year.

The year was typified by the best teamwork ever—because we had the best team ever. Employees, at all levels, have shown a willingness to seek solutions and carry them out, motivated not by who gets the credit but by what solution is best.

Growth in such a dynamic industry as electronics requires continuing changes—in company organization; manufacturing processes; technologies, and job requirements. And change is not always easy to accept.

Tektronix employees made this a successful year by their proven willingness to accept new responsibilities, learn new relationships and absorb new methods. Had they not done so, the year would have been different. For attitude is all-important; production improvements succeed only when they're wholeheartedly accepted; communications succeed only when someone listens.

This eagerness to increase their abilities is seen also in this year's participation by nearly 60 per cent of our Beaverton employees in a company-sponsored or assisted educational experience.

Tektronix' assumption of international stature over the years also has reflected changes too numerous to describe here. Not only are about 30 per cent of our sales made overseas, but we have become international in outlook; corporate decisions are made in light of a diversified world market.

Another basic change has been in the composition of our product-development team. One aspect is the growing importance of strength in the physical sciences; accordingly, we have expanded our rich supporting resources in this area. This support is typical of the wide range of talents Tektronix can call on.

Our collection of many widely diversified talents is far from a corporate luxury; rather, it is a competitive necessity, for it allows us great flexibility to take advantage of the most promising new ideas that our fast-changing technology offers. We have been able to investigate new areas to determine their value without having to add costly and elaborate special programs.

Looking back at the year just passed, it may be tempting to conjecture about the effect on the market of one economic factor or another. In this regard, it is helpful to keep in mind the effect of the company itself. Tektronix' attitude is one of continued product initiative; and a major influence on our market in any single year is the attractive array of instruments we offer the customer.

In June, Tektronix held an open house in its industrial park. I wish it had been possible to invite each of you to attend. But, whenever you are in the Beaverton area, I hope you will come visit. You are always welcome here.

Howard Vollum

August 1, 1966 *President*

DETAILED GLOBES are visual tools in space flight research at The Boeing Company, Seattle. Here, a researcher checks a waveform display on a Tektronix oscilloscope used as part of the instrumentation.

THE VERSATILE OSCILLOSCOPE

To fully realize the span of oscilloscope uses, consider the well-worn observation that "Ours is a fast-changing world."

The oscilloscope is the major instrument for measuring changing phenomena. Its uses are limited only by the kinds and number of changes that man needs to know about. Today that number is vast, and growing. Thus the "oscilloscope market" is an agglomerate of very many markets, each with its own particular needs.

It is very difficult to conceive of an "event" that an oscilloscope couldn't someday measure.

A Tektronix laboratory oscilloscope can measure phenomena occurring in *a fraction of a millionth of a second,* or longer than a minute. It is very complex, but its principles are easy to learn. *The oscilloscope draws a graph of some "event" so someone can measure the amount of that event and how long it lasts.*

It has three major segments:

The CRT, or cathode-ray tube (like a TV picture tube), on whose fluorescent face the graph appears. A focused electronic beam from the CRT cathode makes the screen glow, a spot of light. This spot—which can be moved up and down or from side to side—draws the graph on the tube face, much as a pencil does on paper.

The time-base generator, whose electrical signal moves the spot across the screen at a uniform speed, left to right, repeatedly. The screen is ruled off like a sheet of graph paper. You can make the spot cross the screen at almost any rate—one second per ruled division, a hundred/millionth of a second (or less) per division.

At slow speeds you *see* the spot move. At very fast speeds, it appears as a solid line.

The vertical amplifier, which, when connected to a changing voltage, moves the spot up and down. You can make each vertical ruled division represent many volts, or a small fraction of one volt. The number of divisions the spot moves tells you the voltage of the signal —and thus the amplitude of whatever phenomenon that voltage represents: Heat, light, sound, gravity, pressure, acceleration, chemical reaction . . .

Thus the oscilloscope plots a graph of an electrical event—or of any phenomenon converted to voltage. This graph tells whether the voltage is changing positively or negatively; the amplitude and duration of the event (or any portion of the event) and the shape of the waveform.

Phenomena that happen over and over produce a continuous image on the screen. But the oscilloscope can also graph events that happen *randomly,* or only *once*: An explosion, the radiation of particles as an atom is split . . . Even if the event happens only once and lasts only a millionth of a second, special cameras can record the graph as it flashes across the screen—and some oscilloscope types can even store the graph on the screen, and erase it when it's no longer needed.

In summary: The oscilloscope graphs the changes in some event with relation to time—measuring the *amplitude* of the event on its vertical axis, and *how long the event lasts* on its horizontal axis.

TO READ AN AD:

The technical language of an oscilloscope advertisement may baffle the layman. Oscilloscopes vary greatly, but have four basic characteristics. Somewhat simplified, they are:

Sensitivity (expressed in fractions of volts per vertical division) tells you how *small* a signal the oscilloscope can measure. Some Tektronix instruments can picture signals as small as one millionth of a volt.

Risetime tells you how *fast* a change an instrument can record on its vertical axis. Our highest-*frequency* oscilloscopes (those with shortest risetime) can picture signals occurring in billionths of a second —like those associated with nuclear phenomena. An instrument's range of frequencies is called its *bandwidth* (expressed now in Hertz, or cycles per second.)

Sweep Range (expressed in time per horizontal division) tells you how fast and how slowly a CRT beam can cross the screen. The wider this range, the greater the variety of waveforms you can look at. On almost all Tektronix oscilloscopes, the ratio of slow to fast sweeps is several hundred million to one.

Intensity (expressed in foot-lamberts) refers to the brightness of the display. It depends on the density of electrons in the CRT beam, and on the tube's voltage. Displays of one-shot events (which can't be "rewritten" as repetitive signals can) must have high intensity to be seen or recorded.

Oscilloscopes vary also in several other characteristics. Some are lightweight and *portable;* some are designed for stationary *rack-mount* installation. Some can make a wide variety of *general-purpose* measurements, often through use of interchangeable plugin units; others are *special-purpose,* like our TV waveform monitor. One model also provides *digital readout*—presentation of signal information in numbers as well as waveforms.

They vary also in other special features, that allow:

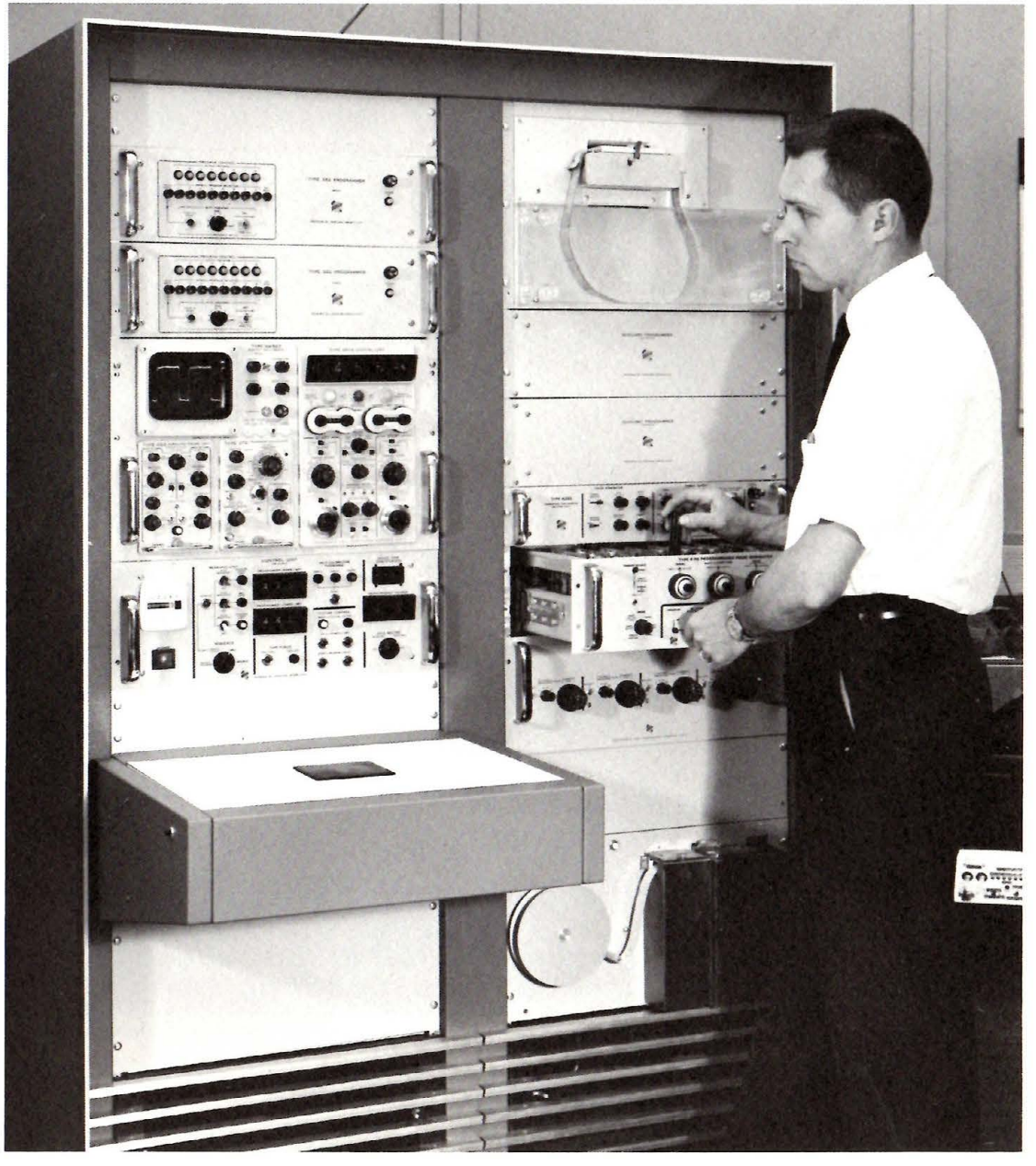
Comparison of simultaneous signals, by drawing two (or more) graphs at a time with a *dual-trace* or *dual-beam* instrument.

Storage, or retaining the waveform display after the signal ceases.

Spectrum analysis, by converting from a time base to a frequency base.

Sampling successive bits of a repetitive signal and assembling the samples into a graph of the waveform—thereby measuring events far too fast for conventional oscilloscopes.

And, oscilloscopes vary also in price. Our models range from $540 to $5200.



SYSTEMS—complex assemblies of coordinated instrumentation, including programmable oscilloscopes—are among the Tektronix products whose sales increased during the year. Used for testing transistors and integrated circuits, they can make a very large number of sequential measurements at extreme speeds.

1966: REVIEW OF OPERATIONS

For Tektronix this year, the word was: *Produce.*

In a US economy that ran full-tilt, few industries surpassed electronics' rate of growth. And Tektronix grew even faster than that industry did, showing nearly a 50 per cent gain in US orders.

The international market also expanded, orders increasing by 19 per cent.

Spurred by enthusiastic acceptance of new products introduced early in the fiscal year or late the year before, Tektronix marked sales gains in every significant market area, and carved out new markets where none were before. The net result was a very high level of customer demand that repeatedly threatened to become overwhelming.

Continued healthy order activity, which began in the spring of 1965, required a response that was incisive yet measured, to meet delivery schedules yet avoid the easy trap of "overshoot"—meeting short-range needs by building in a productive capacity that over the longer term might prove excessive.

About 1500 new employees were hired (and large amounts of overtime were worked.) But they were added, trained and absorbed at such a rate that production efficiency did not suffer, while overall productivity as a company improved. Earnings grew *twice as fast* as sales.

In good part, this gain in productivity was the result of farsighted investment, earlier in the decade, in buildings and equipment; continued attention to mechanization, and to training; and internal organizational improvements described to you in earlier reports.

In short, in a year that demanded growth, Tektronix was ready.

Earnings leaped by 51 per cent over those of the previous year—moving to $11,052,000 from $7,319,000.

Per-share earnings increased 47 cents, going to $1.38 from 91 cents.

Sales increased world-wide 25.5 per cent, to $101,759,000 from $81,099,000. The sales increase was in large part attributable to new instruments to meet unsatisfied needs of the computer and television industries—an indication of continued vitality in Tektronix engineering design.

International sales accounted for $30,057,000, up 16 per cent from $25,862,000. But this increase, though healthy, paled in comparison with US sales, which moved up 30 per cent to $71,702,000 from $55,237,000.

Customer orders increased by 37 per cent, to $115,866,000 from $84,748,000.

And *shareholders equity* reached a new high of $54,819,000.

The year was one of penetrating market activity, of technical innovation and, most of all, of intensive productive effort. It was a very good year.

1966: THE REGENERATIVE MARKET

Surveyor sat alone on the moon and sent earthlings their first color close-ups of its surface.

Computers continued to add to their already amazing portfolio of capabilities. Television bloomed in full color. Satellites have become old-hat, even those that carry live TV across the seas. And electronics continued its insistent inroads into the fabric of life as we know it.

Each of these activities contributed to growth in the oscilloscope market. As much to the point, Tektronix oscilloscopes did much to bring each one into existence.

The laboratory oscilloscope is truly a key to progress. Only on the basis of precise measurements does the scientist advance into new frontiers. And these advances, in turn, very often create whole new industries and areas of endeavor that themselves become large users of oscilloscopes. Thus, the oscilloscope maker has considerable power to grow his own markets.

The oscilloscope was essential in the Surveyor program; a midwife bringing color TV into being; integral in developing satellite communications, and a necessity at almost every step in a computer's life, from development through maintenance.

This self-generating aspect of the oscilloscope market, of course, can't be measured at all in a single year. But it *is* a basic long-term factor.

In 1966, how *did* the market grow?

It may help to think of the oscilloscope market as a composite of *many* markets. Having many dimensions, it is capable of growth in many directions, of being not only penetrated but also broadened or, again, cultivated in great depth.

Three factors, operating pretty much independently, gave our company an excellent year:

General economic health; the impact of new Tektronix products; and expansion of oscilloscope use into new fields.

To briefly examine each of these:

The US economy was robust, and Tektronix shared its vitality.

The exact impact of increased government expenditures in this guns-and-butter year has been debated by economists. As far as any direct effect on Tektronix, we can discern none. The percentage of our total sales attributable to the Defense Department and its prime contractors is almost exactly the same as it has been for several years.

It is worth mention that Tektronix neither produces military equipment, nor does it deal in direct government R & D or production contracts.

Among the largest factors in our growth was the booming good health of two industries: Computers and color television. But, across the entire broad spectrum of man's endeavors, and deeper into them, sales increased.

The international market also continued in good health; there, too, computers were a big influence. The growth was virtually around-the-globe, with gains noted in all our major market areas.

New products introduced near the start of the year brought immediate and continuing strong customer response.

In a dynamic industry like electronics, it is no mean feat to come up with "the right product at the right time." Particular examples of "right" products this year:

- Two portables, the 422 and the 453, combine high performance with portability (they'll fit under an airline seat). They not only created a new market, as expected, in the area of servicing computers and other stationary electronic installations, but also gained rapid acceptance for general-purpose laboratory "bench" use. And, despite the apparent anomaly of a "rackmount portable," the RM422 and RM453 have found uses in vans and in other rack installations where small size alone is an advantage.

Both these instruments are also highly buildable, lending themselves to semi-automated techniques, in-process testing and use of inexpensive transistors and of printed circuits.

- The 529 television waveform monitor has rapidly become the standard for both network and studio use. It has caught the upswing of network color programming, and sales of this special-purpose instrument have surpassed expectations.

The 529 provides measurement capabilities exceeding those of previous monitors. Color TV needs these capabilities, for poor transmission shows up as color faults, intolerable to the viewer.

The success of this monitor is no isolated phenomenon. Tektronix has long and diligently attended to the measurement needs of the television industry.

Several years ago we designed the type 526 vectorscope, specifically for an expected onslaught of color programming. It is the only mass-produced instrument capable of detailed color-phase measurements.

Color TV today owes its current finesse —and success as an industry—to the vectorscope. And that industry has grown to be a large user of oscilloscopes. Another example of the self-generated market, and another example of the right product at—make that, just a step *ahead* of—the right time.

The vectorscope has "arrived." Its sales this year quadrupled last year's.

- The 549, Tektronix' "second-generation" storage oscilloscope with wide general-purpose capabilities, also found excellent response. The fact that much of the response came "sight unseen," with no demonstrator models in the field, is a tribute to Tektronix' reputation and to the fast-dawning user awareness that storage—the ability to retain on the CRT screen the display of an event that has ceased—is a basic, and an important, measurement capability.
- The 3A5 and 3B5 plugins allow automatic oscilloscope operation, sensing the signal and automatically adjusting the sweep speed and sensitivity to gain the best CRT display—and, on the instrument panel, telling the operator what has been done.

When automatic operation isn't desired, the instrument can be programmed at the push of a button to a number of predetermined configurations.

Like the four-minute mile, yesterday's technological impossibilities are today's commonplaces. Measurements that then required much technical training, today may be done by those less skilled. Thus the trend to automated instruments.

Sales of other products also continued healthy.

Despite inroads made by the 453 into laboratory use, sales of our general-purpose plugin-type oscilloscopes remained excellent.

Spectrum-analyzer plugins continued to find markets, offering state-of-the-art measurements at relatively low cost. Two plugins for our 564 and 549 provided a combination of spectrum analysis and storage not available before.

Systems—large, highly complex assemblies of coordinated instrumentation, including Tektronix programmable oscilloscopes—also had healthy sales. This is indicative of the need in the electronics industry, critically short of manpower, to be able to purchase these complicated pieces of equipment, which are used for transistor and integrated-circuit testing.

Tektronix systems can automatically make a very large number of sequential measurements with extreme speed, and print out the results. Some also can automatically reject circuits that don't meet preselected specifications.

Expansion into new areas continued. A notable example was the acceptance by the mechanical industry—not historically a large oscilloscope user—of storage instruments, which offer a long-needed capability to study one-shot phenomena associated with mechanical testing.

IN MANY of its operations, Tektronix is a large user of its own instruments. Here, a 422 portable oscilloscope is used to check the circuitry of a tape-controlled multi-punch press in our metal and plastics fabrication area.

THE UBIQUITOUS OSCILLOSCOPE

New models of oscilloscope will stretch the market by doing things no previous instrument could do. An equally important factor is the so-called "human gap" —the gap between what oscilloscopes *already* can do and what people have learned to do with them. Outside the electronics industry—where the oscilloscope is the most important tool—increasingly, other disciplines are learning the "language" of electronic measurement.

Often a new application results from sudden insight by an oscilloscope owner, coupling his instrument's capabilities to entirely new kinds of problems. Or, often, it is the Tektronix field engineer who suggests how an oscilloscope might help.

Typical of thousands of "call reports" sent in by our FEs during the year are those on the next page, indicating the increasingly wide spectrum of uses to which people are putting this versatile instrument.

RESEARCH INTO plasma physics—the so-called "fourth state of matter"—makes use of three Tektronix oscilloscopes in this scientific laboratory. Controlled fusion of plasma particles, some physicists believe, could supply a source of energy to meet the world's needs for some 20 billion years.

MAJOR TOPIC

CUSTOMER [redacted]

FIELD ENGINEER M.B. Crough

CITY AND STATE Ontario, Canada

MONTH-DAY-YEAR 10-14-65

ENGRG - PUT. PROD - RSCH Dillard

GROUP

GROUP FUNCTION

OCT 27 1965

MARKETING

INSTRUMENT MFG

ELECTRON DEVICES

F AND M

QUALITY ASSURANCE

OTHER

NAMES

502/Q Unit/133 Demo

Professor Stallings now has a 502 oscilloscope. He is doing work on detection of pressure bruising on fruits and vegetables. The Department has been given a grant by some firm in eastern USA. The combination of the Q unit and 502 will provide him with more than adequate sensitivity.

Testing Trees for Rot

These people embarking on a program of ultrasonic sounding of trees to determ rotten, and the extent of rot. They're would save a lot of lumber if they cou 321 oscilloscope, to see if they might

Rock-Burst Forecasting with the 321A

In the Department of Mines cylindrica hydraulic wedges that allow presentat

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MAJOR TOPIC 647 Spl. at 25,000 ft.

CUSTOMER [redacted]

FIELD ENGINEER Chuck Spencer

CITY AND STATE [redacted] Wisconsin

ENGRG - PUT. PROD - RSCH Dalton Dolan

GROUP Technical Development

GROUP FUNCTION

MONTH-DAY-YEAR 8-25-65

MARKETING GG

INSTRUMENT MFG

NAMES

647 Oscilloscope Operates at 25,000 Feet

SEP 10 1965

John Roberts and group recently completed fabrication of a laser system, including oscilloscope, to be mounted in an aircraft for field testing. The system will be used to research the feasibility for using lasers as clear-air turbulence detectors. The system would have to undergo equivalent altitude of 25,000 feet -- a modified 647 has met 25,000 conditions on several occasions.

MAJOR TOPIC 561 applications

CUSTOMER [redacted]

FIELD ENGINEER Marshall Pryor

CITY AND STATE [redacted], Pa.

ENGRG - PUT. PROD - RSCH

GROUP

GROUP FUNCTION

MONTH-DAY-YEAR 3-8-65

MARKETING GG - SF ADV - 3 STV S

INSTRUMENT MFG

NAMES

561 Application - Dr. Ronaldson, in addition to his work on sheep nervous systems with a 565 oscilloscope, is conducting investigations on the problems involved in the total change of the blood in a newborn baby. In this work he needs to monitor EKG and blood pressure simultaneously. He has purchased a 561.

MAR 26 1965

Frank Martin is designing a medical scope readout device, and is going to use the 561 oscilloscope to strument. The purpose of the instru- detect foreign bodies in the human accurately give their location by

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MAJOR TOPIC

CUSTOMER [redacted]

FIELD ENGINEER Peter Strong

CITY AND STATE New South Wales

ENGRG - PUT. PROD - RSCH

GROUP

GROUP FUNCTION

MONTH-DAY-YEAR 7-27-65

MARKETING GG SE 3-55 F

INSTRUMENT MFG

NAMES

564 for Teaching Deaf

AUG 9 1965

William Green requested that I visit this school and spend some time with deaf children. After spending an afternoon here, I am convinced that the 564 is a very useful teaching aid for deaf children. Some youngsters have learnt to say particular phrases and syllables using the 564 in about five or so minutes. They had never previously been able to say these syllables.

MAJOR TOPIC 564 AS Monitor

CUSTOMER [redacted]

FIELD ENGINEER Art Andersen

CITY AND STATE Washington, D.C.

ENGRG - PUT. PROD - RSCH

GROUP Color Technology Bldg.

GROUP FUNCTION

MONTH-DAY-YEAR 6-2-65

MARKETING GG ADV-3 STV S

INSTRUMENT MFG

NAMES

JUN 18 1965

Storage Application-

Norm Taylor would like to use a storage oscilloscope to monitor his photographic color processing. He would like to use it in such a way that the presentation would erase after completing a process cycle -- if the cycle was not completed, the scope would store the trace, showing the point in the cycle where the difficulty occurred.

MAJOR TOPIC Medical - Life

CUSTOMER [redacted]

FIELD ENGINEER Nick Stadtfeld

CITY AND STATE [redacted] Mass.

ENGRG - PUT. PROD - RSCH Russ F

GROUP Research Division

GROUP FUNCTION

MONTH-DAY-YEAR 7/8/65

MARKETING SF GG SF ADV - 3 STV S

INSTRUMENT MFG

ELECTRON DEVICES

F AND M

QUALITY ASSURANCE

OTHER

S/N NP

NAMES

SCOPES ENTER BIOLOGICAL SYSTEMS

JUL 26 1965

The Brain Research Lab plans include 4 storage oscilloscope "packages," with remote erase. The systems will be able to scan brain responses, store this information, examine it for worth and erase if no good. Dr. Burk says they would be "unable to operate" without the 564.

Also with a 564, Dr. Johnson has developed a system for measuring the flow and volume of air displaced by human breathing. These factors are X-Y plotted with pressure developed by the chest against the lungs.

565 Setup, with 3A4/3A77/125/122 Plugins

Dr. Miller to do research on snake muscle potentials and EKGs this fall, using a 565 oscilloscope and plugins.

APPLICATION

Dr. McDonald is trying to discover reading habits of people by monitoring the motion and position of the eye with a storage scope and two dual-trace amplifiers.

-more-

MAJOR TOPIC 564 - 3A3 - Metallurgical application

CUSTOMER [redacted]

FIELD ENGINEER Ray Lisiecki

CITY AND STATE [redacted] New York

ENGRG - PUT. PROD - RSCH Russ F

GROUP

GROUP FUNCTION

MONTH-DAY-YEAR 6-9-65

MARKETING SF GG ADV-3 STV S

INSTRUMENT MFG

ELECTRON DEVICES

F AND M

QUALITY ASSURANCE

OTHER

NAMES

JUN 19 1965

Metallurgical Application

Paul Colham plans to use our 564 storage oscilloscope with 3A3 and 2B67 plugins, to observe metal crystalline structure transformation during temperature quenching. Perhaps other metallurgical people have very similar but unrecognized needs.

Machine Control Servicing

Electro-Machine has added a number of tape-controlled lathes and drills to their line. They require a portable dual-trace oscilloscope for maintenance. I suggested the 422; they were extremely pleased with the size and dual-trace capability. Foresee a need for two or three for their maintenance crews alone.

564/3A72/2B67 Plugins, Demo

Demonstrated this unit to these people, and we made a test set-up to measure the noise on bearings, which will be one of the major applications of the oscilloscope.

1966: INSIDE TEKTRONIX

Financial portions of this report tell you how Tektronix fared in the marketplace. Growth has *internal* aspects also, and they're harder for a shareholder to see. Yet they are even more significant than the year's profits, for they become the basis for not one year but for the foreseeable future.

Increased efficiency is always an achievement, doubly so in a year of hustle and heavy hiring to keep up with customer orders. But our overall productivity increased.

Partly this gain in efficiency may be traced back three years, to a decline in the US electronics market. At that time, Tektronix responded with a thoughtful in-depth look at itself. "A lot of our managers grew up fast," someone has said. It reinforced our belief in the value of thorough training, and in the need to continuously investigate ways to increase productivity and upgrade jobs.

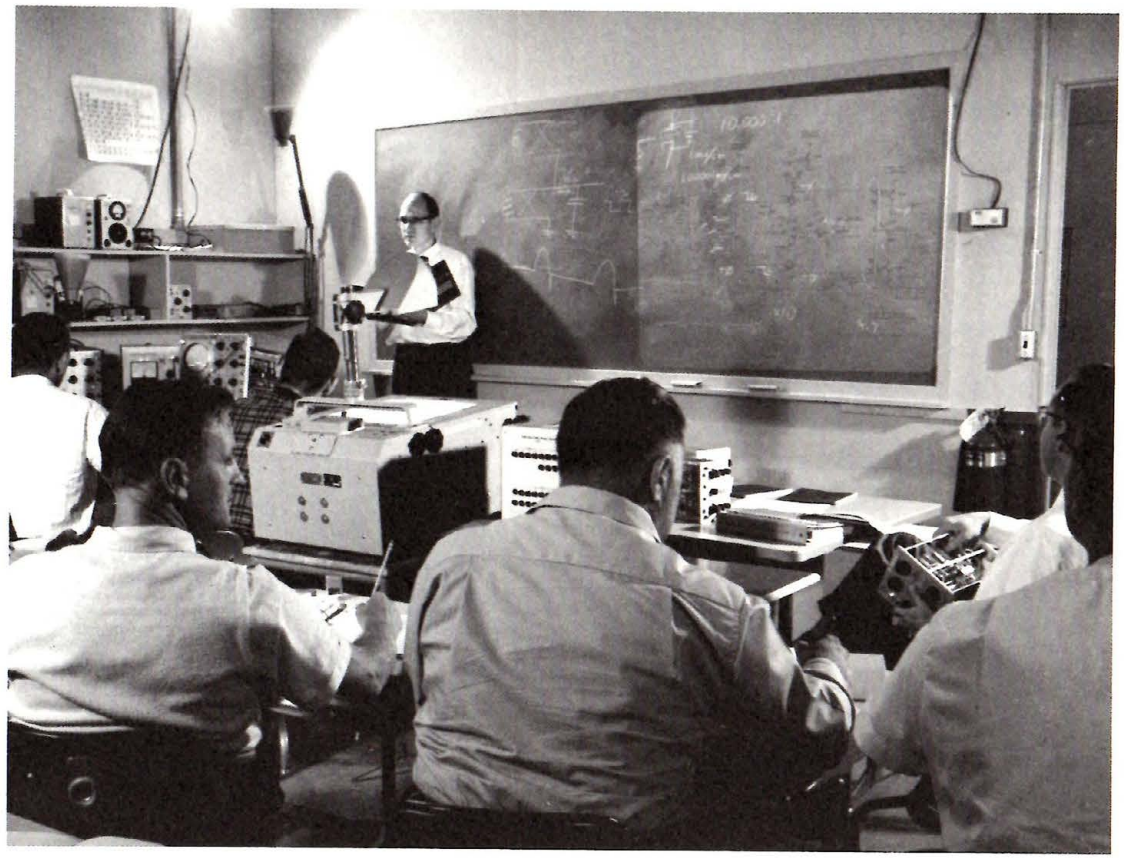
An intensive in-line training program serves both these latter ends. As technology changes, continued training is vital not only to enable employees to keep abreast of new techniques but also to prepare them for enlarged responsibilities. Although some formal training functions are conducted by special departments, we consider continued close attention to in-line training a prime requisite of each manager.

In addition, Tektronix' Education and Training program offers a wide variety of courses, ranging from technical classes relating to specific jobs through general courses aimed at the broad development of the individual.

The classes are taught on Tektronix premises. Instructors are carefully selected from faculty members of local schools and colleges, and from Tektronix personnel with specialized skills or knowledge.

Last year over 3000 of our employees took part in some kind of educational experience—either in Tektronix courses or in local educational institutions, aided by full or partial Tektronix tuition refunds.

TRAINING, in all areas of the company, receives continuing emphasis at Tektronix. This emphasis extends to instruction of customers' technical personnel in oscilloscope operation.



Our future as a business depends on the continued creativity and judgment of our employees. The constant renewal process that the changing world demands will be enhanced through relevant educational experiences such as this program offers.

Mechanization has included many semi-automated processes: Component insertion, automatic drilling, flow soldering, printed-circuit manufacture. Buildability of instruments has greatly increased.

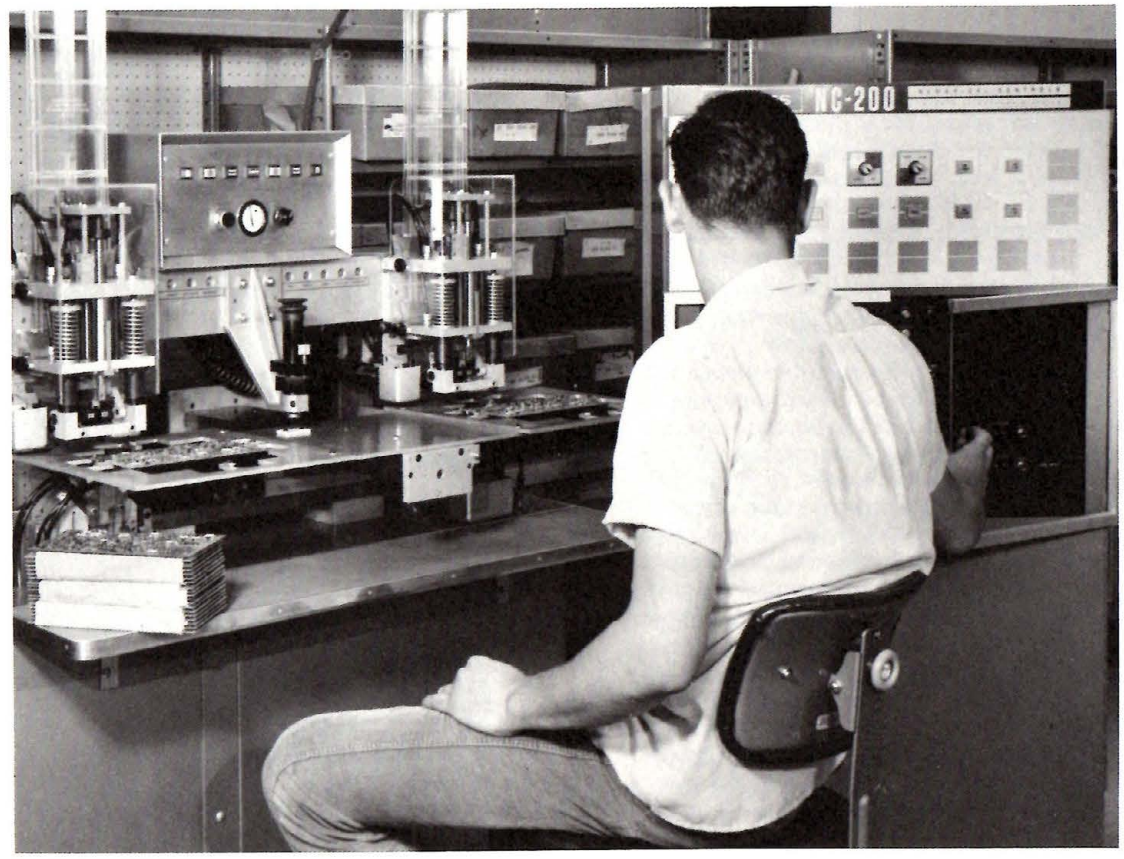
Process technology improved, making significant if not spectacular gains. An example is increased storage-tube production yields.

Tektronix' production facilities were significantly expanded. We added and paid for a very large amount of production, testing and exploratory equipment; our Component Manufacturing division alone invested $1 million. Our Display Devices area added basic chemical and physical-science equipment, including advanced spectrographic gear which makes ours among the best-equipped laboratories on the Pacific Coast.

One of our manufacturing plants has been converted to supply subassemblies to the other three plants. It makes heavy use of new semi-automated techniques.

Cathode-ray-tube production has been split into conventional and storage CRTs —a tribute to the fast-expanding storage market.

During the year Tektronix integrated more fully into its operations its basic physical-science support functions. Thus, on the one hand, these people are better able to give attention and support to the needs of our production areas; on the



AMONG THE semi-automated production processes added during the year is the component-insertion machine now in use in one of our assembly plants. Buildability of Tektronix instruments continues to increase, thanks partly to new methods such as this.

other, they are in a sounder position to lay the fundamental groundwork for future technological breakthroughs.

In a year typified in industry by a scramble for technical personnel, we have been able to obtain highly qualified people in almost all areas. Our recruiting effort, subdued when compared with industry methods, has been very successful. It speaks well, we feel, for the esteem in which Tektronix is held in the industry.

Organizationally there were few changes—understandable in a year when the burgeoning order rate demanded full attention. But internal realignments of earlier years paid off in many ways, including improved communication. To respond to customer needs with its full resources, a company must have the ability to transmit quickly and thoroughly throughout the organization the nature of the needed effort and the reasons for it.

- The Systems group, formed from three existing groups, was established as a Marketing responsibility, and its function clearly defined, enabling us to develop that market to its full potential.
- Tektronix set up an integrated-circuit laboratory, to take advantage of the capabilities of this promising new technology, in light of the exacting needs of oscillography.

It is no radical technical venture for us, but an extension of our existing semiconductor capability. Also behind us is a varied and successful history of Tektronix component manufacture, which has enabled continuing advances in the state of the art.

- Occasionally oscilloscope development results in the discovery of related techniques that appear to offer promising product opportunities. One such opportunity this year led to establishment of a new Tektronix division, to pursue the extension of our storage-tube technology into the area of information display.

Although worth mention as a move toward a market distinctly different from oscillography, the new effort must be seen in clear perspective. For Tektronix, it promises the expectable frustrations of

CHEMIST measures the composition and concentration of an alloy on a densitometer, part of the advanced spectrographic equipment in use in a Tektronix development area. Basic support in the physical and chemical sciences is a major company strength.

any untried and complex technical attempt. For the shareholder, it will show up in the near future as increased engineering expense.

Internationally Sony/Tektronix, our jointly owned subsidiary in Tokyo, manufactured its first Tektronix instruments. Its product line now includes nine models. We are pleased with their quality; in all respects it is equal to that of instruments produced in other Tektronix locations.

Developmental work on the first Sony/Tektronix oscilloscope is promising. In the marketing area, the first two S/T field engineers are in training in Beaverton.

Four instruments were added to the product line on Guernsey, and two at Heerenveen. Output at both locations increased.

Tektronix UK completed its first full year of operation. Response to its very thorough customer-training program has been excellent.

To aid in developing instrument markets, Tektronix-trained technical people were stationed in India and South America. And a Tektronix field engineer in Scandinavia now serves the needs of our distributor and customers there.

Probably the most important international development is an abstraction: Tektronix has grown to be worldwide not only in geography but also in philosophy. It is a rare corporate decision now that is made without full attention given to its international ramifications.

Tektronix vs. US, our lawsuit in the Court of Claims, against the US government for infringement of eight of our patents by government contractors, moved nearer a conclusion.

We are pleased to report that the court, on October 15, 1965, granted our motion for a summary judgment, dismissing a government counterclaim charging that Tektronix had infringed two government-owned patents.

The court held that the government, through its long history of encouraging free public use of government-owned patents, had "licensed" Tektronix. The case set a judicial precedent; it was the first time in US history that the government had initiated an action for infringement of patents assigned to it.

Dismissal of the counterclaims was very important not only to us but to all private industry, which makes extensive use of government-owned patents.

The hearing on our suit against the government closed on March 4. We expect the court to hand down its opinion sometime in late 1966 or early 1967.

Although we are optimistic that we will get a favorable judgment, a victory would cause no great windfall in damages. But, since most of the costs of litigation already have shown up in Tektronix operating statements, any financial settlement will be directly reflected in earnings.

Shareholder communications were expanded by broadening the circulation of our employee magazine, Tek Talk. Shareholders who wish to be further informed on Tektronix products, organization and progress may receive Tek Talk regularly by addressing a request to our Communications department.

THE PROBLEMS

In a year of progress, problems were the other side of the coin. The chief one was meeting the sharply increased order rate.

With minimal finished-goods inventory, and running at full capacity, it's hard to maneuver manufacturing and support groups to keep up with sudden changes in demand. We found our ability further limited by the inability of some suppliers to respond to our needs for large numbers of parts, or for state-of-the-art components. However, by taking a risk a year ago and purchasing increased quantities of critical parts and materials, we were able to minimize a vendor-delay situation that plagued much of US industry. We can identify no competitive slippage due to extended deliveries.

Another problem, when the major effort is to keep up with orders, is the difficulty of getting new instrument models into production.

Another lies in use of overtime for extended periods. Overtime has benefits: For the employee, additional income; for the company, the ability to increase production without unduly expanding the work force. One negative aspect is simply that people get tired. So, we watch closely for any signs of diminishing returns on overtime use.

Unfilled customer orders are higher than expected—about 2½ months' current production, or twice normal. We are making a particular effort to decrease the storage-instrument portion of the total, by boosting our productive effort in this area.

These, then, are the problems—most of them associated with growth. As problems go, they are the preferable kind; but our intent is to focus on each of them and, in time, to report to you that they have been solved.

THE 230,000-SQUARE-foot Technical Center groups in one location all Tektronix research, design and engineering activities, together with corporate management.

1966: FACILITIES

The four-story Technical Center was occupied late in the year. It brings together in one building the major portion of our research, design and engineering activities, as well as corporate management and staff groups. It has increased Tektronix space by about 25 per cent and will, we believe, be a major factor in the development of new products.

The Technical Center not only provides adequate space and facilities for formerly cramped and scattered activities, but it fosters improved communication among technical people, and between operational managers and policy makers. An open corporate area on the fourth level, unimpeded by walls, offers privacy through soundproofing. Visual contact in the area encourages frequent informal discussions among key managers and allows better use of executive time.

Although our history dictates that this be said cautiously, it now appears that Tektronix can at last see an end to its need to occupy leased space in the community. Completion is scheduled in fall 1967 of a two-story Operations Center, for which ground is now being cleared. The 90,000-square-foot glass-and-steel building will house data systems, order processing, personnel, finance and purchasing activities.

Less dramatic additions to the Tektronix physical plant during the year were made to electrical and air-conditioning facilities, central power plant and parking areas.

The 300-acre industrial park, a highly self-contained operation, houses and supplies domestic manufacturing, engineering and marketing operations in 1,043,845 square feet of building space. The partly wooded, largely landscaped park this year was nominated to receive Gov. Mark Hatfield's award for beautification of Oregon.

The first building in the park was a 33,000-square-foot warehouse, completed in 1957, to which 70,000 square feet were added in 1960. Other buildings, all air-conditioned, include: The Metals building (130,000 square feet) in 1958; Graphics (32,000 square feet) in 1959; Administration (34,000 square feet), Ceramics (41,000 square feet), Utilities (22,000 square feet) in 1960; twin Assembly buildings (126,000 square feet each) and cafeteria in 1961; CRT (136,000 square feet) in 1962; Electrochemistry (35,000 square feet) in 1963; Chemical Storage (4000 square feet) in 1964; Maintenance (18,000 square feet) in 1965; and the Technical Center (230,000 square feet) in 1966.

Two plants totaling about 100,000 square feet on the 14-acre Sunset tract now house developmental activities, as well as some light manufacturing functions.

On the Channel Isle of Guernsey, two plants on 11 acres contain 61,000 square feet. On 23 acres at Heerenveen, The Netherlands, we have a 40,000-square-foot manufacturing plant. An additional 32,000 square feet are under construction there.

Tektronix now owns a total of 1,244,845 square feet of building space—about 28 acres of manufacturing, technical and administrative area.

1966: THE THIRD DECADE BEGINS

In the postwar years, when many electronic manufacturers were deciding *not* to place a large effort on oscilloscope manufacture, Tektronix' founders were convinced that it could be the most useful electronic measuring instrument of all.

In January 1946, Tektronix was incorporated. Its five founders included M. J. Murdock, chairman of the board, and Howard Vollum, who remains president.

The oscilloscope would be in widespread use, they felt, if it could easily and correctly *measure* as well as merely observe various waveforms.

Wartime radar development had provided many of the techniques necessary to make this possible—improved cathode-ray tubes, the all-important triggered sweep, wide-band pulse amplifiers, stable power supplies—but these had not been adapted to commercial oscilloscopes.

The first Tektronix instrument, the type 511, utilizing these techniques, offered calibration, high performance, reliability, versatility, light weight and low price. It was an immediate success, and raised Tektronix to a position of prominence in the industry that it has never relinquished.

A NECESSARY TOOL in the manufacture of computers at National Cash Register Company, Dayton, Ohio, is the Tektronix oscilloscope. Several Tektronix instruments are in evidence in this photograph of the NCR production area.

Today Tektronix manufactures over 40 types of high-quality laboratory and industrial cathode-ray oscilloscopes; about 60 plugin units, which vary and extend oscilloscope performance; about 30 kinds of auxiliary instruments to use with oscilloscopes, such as special cameras to photograph waveforms on the CRT screen; and a variety of accessories, including probes, attenuators and oscilloscope carts.

Major customers are industrial and scientific laboratories; educational institutions; electronics companies; computer manufacturers; US and foreign governmental agencies; radio and television stations . . . The list could fill pages; it is hard to find a major scientific or economic activity that is *not* a user.

Tektronix at year's end employed 6482 persons, 5417 of them at Beaverton; 300 in its US field offices, and 765 internationally. Last year we added 1500 employees.

Almost from its start, as Tektronix grew and orders poured in, it met obstacles. One big one was lack of space; another was difficulty in obtaining a reliable supply of components that would satisfy our stringent requirements.

Space problems persisted even after the company moved from Portland to its Sunset plant in the Tualatin valley west of the city, in 1951. So, in the late '50s, after makeshifts, rentals and additions to Sunset failed to keep up with the expanding work force, the company began a master building program that has resulted in the present 300-acre industrial park adjacent to Beaverton, and its complex of modern buildings in a sylvan setting.

The problem of inadequate components was equally nagging. When oscilloscope performance improvements have required it, Tektronix has undertaken to be its own supplier—at times in the face of warnings by component manufacturers that such efforts would be folly.

The oscilloscope has increasingly come to be considered as a *system,* whose ultimate purpose can best be met by tailoring not only circuitry but also components to the desired performance goals.

Thus, Tektronix has become a highly vertically integrated company. It manu-

PARKLIKE VISTAS do much to enhance the industrial environment of Tektronix.

factures its own cathode-ray tubes, and ceramic CRT envelopes; precision resistors and capacitors; super-speed diodes; plastics; panels; dials; special-purpose cable; etched circuit boards; ceramic mounting strips; sheet-metal and screw-machine parts. Each of these operations requires skill and diligent attention to quality, in order that the end product achieve its performance specifications.

FIELD MARKETING

Tektronix early began to develop its own sales organization, after first selling through distributors and commission agents. The goal, a closer and better relationship with customers, has been fully realized.

The first Tektronix field office was set up in New York City in 1951. Today there are 38 in 31 major US market areas, staffed by technically competent, factory-trained, salaried employees. Twenty offices are also customer repair centers.

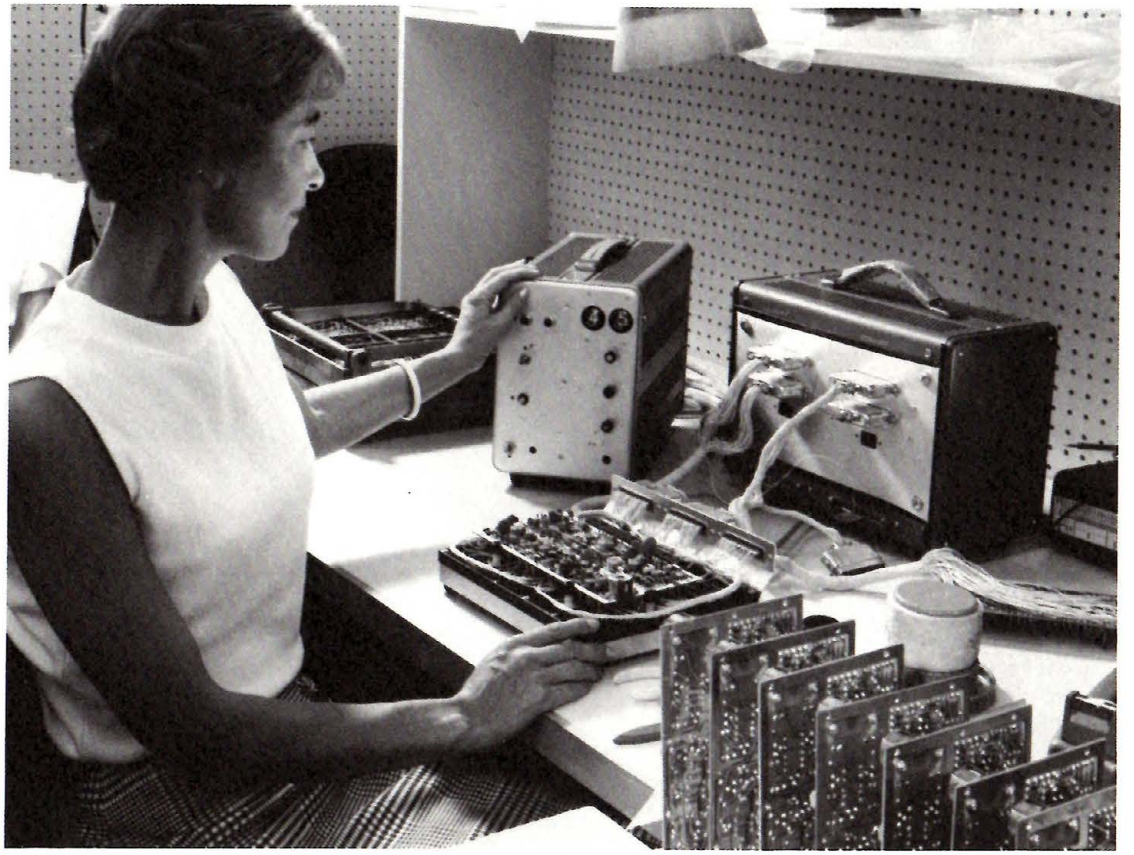
Tektronix was among the first specialized electronics manufacturers to develop its own field organization. Ours has become the model for the industry—and competitors have adopted this approach.

THE SALE IS THE BEGINNING

There's nothing simple about an oscilloscope. Its use and maintenance require competent instruction. Tektronix provides free of charge at Beaverton, in its field offices, on Guernsey and (when desired) on customers' premises a training course that is rigorous and thorough, an education in oscilloscope use and maintenance available nowhere else. We sell, not a product, but a product *and* the backup that will make possible long and profitable use by its owner.

Our field engineer, selected from candidates with exceptional electronics backgrounds, completes nine months of formal training at Beaverton, in Tektronix instruments, policies and practices; electronic theory, and manufacturing and engineering problems. Before his own permanent field assignment, he spends several additional months training in a US field office.

Once in the field, his major concerns include technical instruction, service and fitting Tektronix instrument capabilities to the user's particular measurement needs. He is one end of a short customer communications line, and our chief sensor of incipient changes in the market or in user requirements.



ETCHED CIRCUIT boards, here undergoing one of many tests, are among high-quality Tektronix-produced components.

TEKTRONIX MANUFACTURING buildings provide backdrop for informal conversation in the Technical Center.

SELLING AND BUILDING ABROAD

Diversified use of our product offers insurance against a decline in need by any one market segment or single user. In the same manner, the global dispersion of our market minimizes the effect of slumps in a particular geographic sector.

Since our overseas marketing began, in Sweden in 1948, international sales have grown to approach 30 per cent of total Tektronix business—a ratio exceeding that of any major electronic instrument company we know of. This year that proportion held, even despite the extreme growth of the US market.

Now our distributors and representatives serve 36 Free World countries, obtaining technical help from our international field people.

The field-office concept spread to Canada in 1956, as a branch office. Tektronix Canada was incorporated in 1961, as a wholly owned marketing subsidiary.

Others followed in Australia (Tektronix Australia Pty. Limited), The United Kingdom (Tektronix UK Ltd.) and Switzerland (Tektronix International A. G.). European marketing is coordinated from Tektronix Ltd., a subsidiary on the English Channel Isle of Guernsey.

Our first manufacturing effort overseas was an assembly operation on Guernsey, in 1959. Later it became a full-scale manufacturing subsidiary, to meet the needs of the European Free Trade association. A manufacturing plant in Heerenveen, The Netherlands, serving the European Common Market, followed in 1962.

The formation in 1965, with Japan's well-known Sony Corporation, of Sony/Tektronix, a jointly owned subsidiary in Tokyo, signaled a new kind of venture for Tektronix. Not only is the company manufacturing and marketing Tektronix instruments in the Far East's free nations, but it is now working—with technical assistance from Beaverton—to develop the first oscilloscope that will bear the Sony/Tektronix name. It will be an instrument to complement the Tektronix line.

Overseas manufacturing operations let us compete on an even footing with manufacturers in each foreign market area, thus possibly preventing them from gaining strength enough in a non-competitive situation to export their efforts to others of our markets.

1967: THE PROSPECTS

The new year came in like a lion, just the way the old year went out.

Customer unfilled orders, higher than expected, provide momentum. Demand for new products continues strong. Our field people in the US, and in our overseas subsidiaries—trained, perceptive observers of the market—predict another good year, and do so unanimously.

Currently, computers and color television are two large customers. More broadly, oscilloscopes are an essential part of *most* of man's current endeavors. What's more, they are coupled into the growing edge of technology, the world of basic scientific investigation, which tends to go on fairly independently of economic ups and downs. And, even more broadly still, they accompany the expanding influence of electronics in hitherto unimagined areas of use.

Computers, worldwide, will continue to be the largest single user of Tektronix oscilloscopes in the year to come. In addition to their widespread applications in information processing, their use in automation, and process and machine control, continues to increase. And they bid fair to expand rapidly into lower-level classes of problems as computer technology gets less expensive and more prevalent.

Color television, largely a US phenomenon this year, can be expected to carry its magic into other world markets in the coming 12 months. Canada, for example, is scheduled to begin color programming this year.

The trend to integrated circuitry, allowing the shrinking of electronic components into minute fractions of their former size, is another cause for optimism. It opens vistas of electronics use in everyday life—in the home, for example—impossible until now. The broader the influence of electronics, the broader the potential market for oscilloscopes. And this influence, barely felt so far, can only continue.

Whatever the impact of these areas of human endeavor, Tektronix' own efforts will continue to develop products that will create new markets. Our Marketing manager sees it this way: "You don't look for the future out in the marketplace; you find it in the engineering bays of the Technical Center."

- Internally Tektronix is in an excellent position to meet the coming year's demands. Hiring is tapering off, and most new-employee training is done. That means increased productivity in the year ahead.

Several large expenditures on production, process and test equipment this year haven't yet had time to show up in increased efficiency . . . and profits. But we're sure they will.

We intend to meet incoming demand, as well as reduce the order backlog, by use of overtime, then taper off as the situation "normalizes" and as increased employee productivity allows. Our belief is that, by carefully watching our hiring rate—and choosing this year to lag somewhat behind current demand—we are in a position to handle a high order rate without the discomforts of overcapacity.

The alternative—fully meeting current orders by overhiring, then reducing the work force as demand eases—is unacceptable to us. Tektronix' policy has been to hire employees with the expectation that they will be permanent. This policy is beneficial in several ways. It offers security to the employee; it gives the company the productive advantages of experienced people; and it is a stabilizing influence on the economy of our local community, continuing our reputation as a good place to work.

- Internationally, we have exercised our option on five acres on Guernsey, and will build a 17,000-square-foot manufacturing addition and a 20,000-square-foot warehouse.
- Before Tektronix stock was publicly traded, employees received shares in Tekem, an employee-owned corporation, as part of their compensation. At the time of the public offering, these were converted to Tektronix shares.

A plan to resume employee purchase of shares through the company will be presented for shareholder approval at the September 17 meeting.

Our belief remains undiminished that linking of individual and company fortunes through such programs—and through profit-sharing—is a great benefit, reflecting in productive ability and atti-

tudes. Tektronix has consistently achieved the highest ratio of earnings to sales of any comparable company we know of.

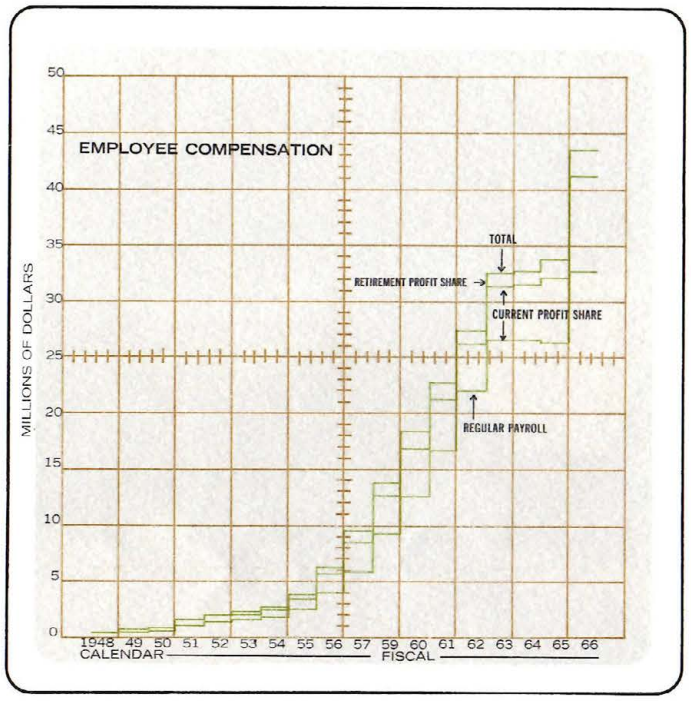
As we look to the coming year, our optimism is reinforced by the fruits of continued internal improvements, such as this report describes each year. For ours, we feel, is an organization increasingly capable of seizing *whatever* opportunities present themselves.

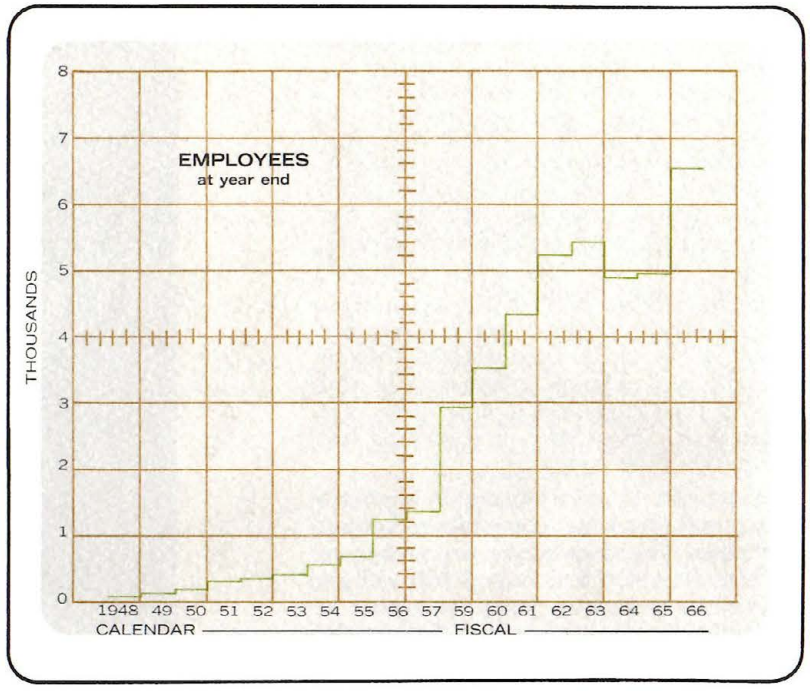
In baseball jargon, a great Tektronix asset is its truly formidable "bench strength"—a richness in human skills and talents that runs broad and deep, not limited to one or even a few areas but permeating the company.

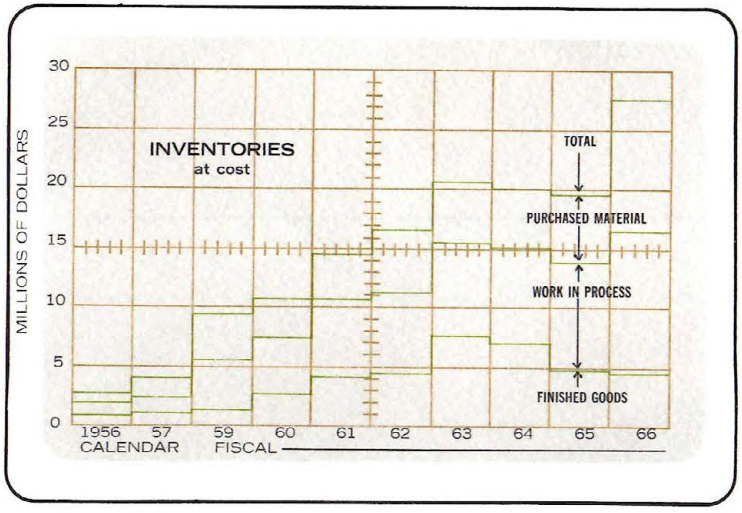
Tektronix is a large, highly sophisticated and intricate cooperative human endeavor. Yet, despite the size and complexity, its continued success will rest on its ability to remain keenly sensitive to changing needs, and responsive—able, when the need is clear, to rapidly and firmly commit its full weight of resources.

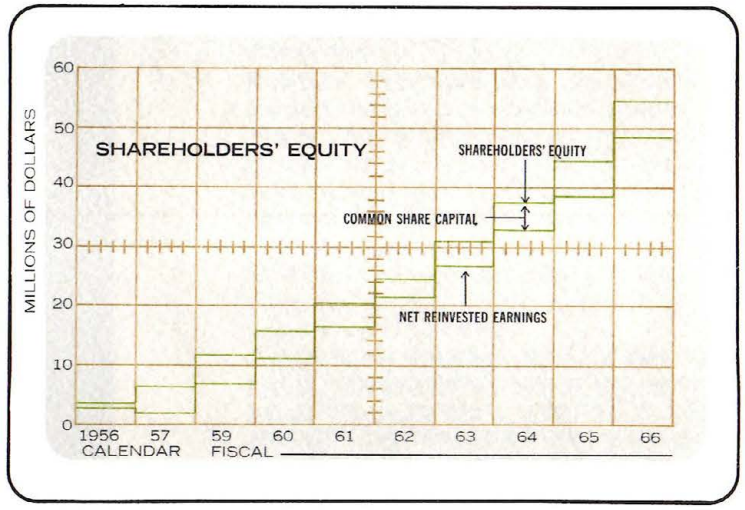
That it may continue to do so is our continuing concern as we enter this, or any, new year.

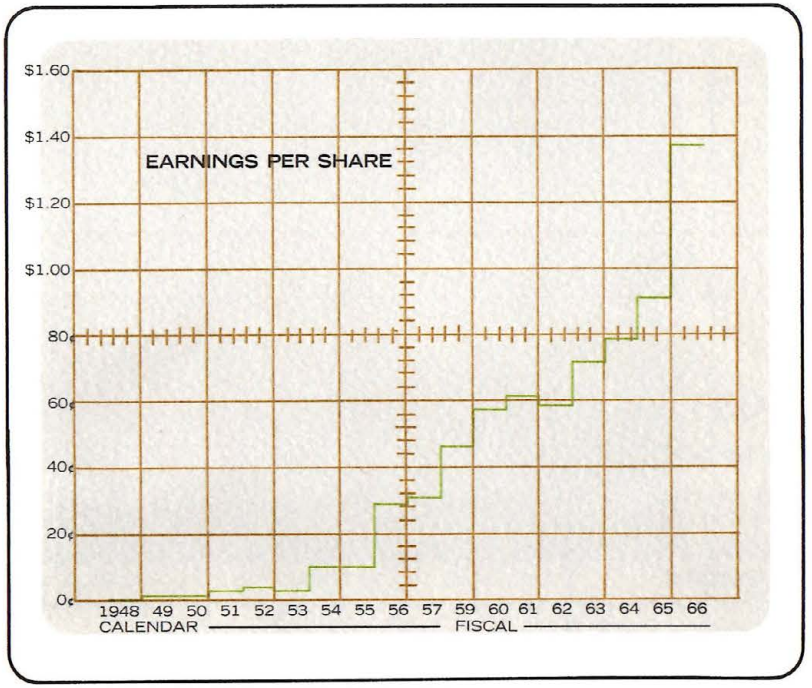
THE ABILITY of Tektronix oscilloscopes to create new markets relates directly to the ability of Tektronix engineers to make significant advances in instrument performance. Here, an engineer checks the circuitry of an experimental oscilloscope.

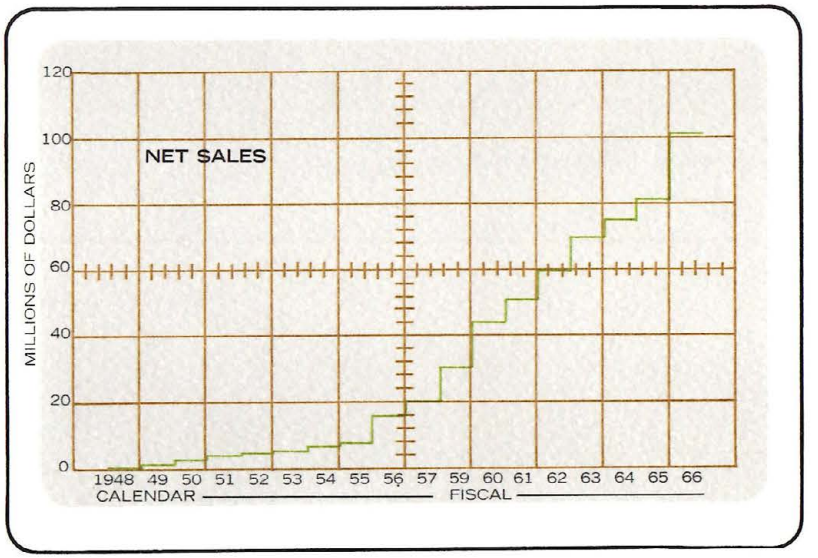

EMPLOYEE COMPENSATION
MILLIONS OF DOLLARS
TOTAL
RETIREMENT PROFIT SHARE
CURRENT PROFIT SHARE
REGULAR PAYROLL
CALENDAR
FISCAL

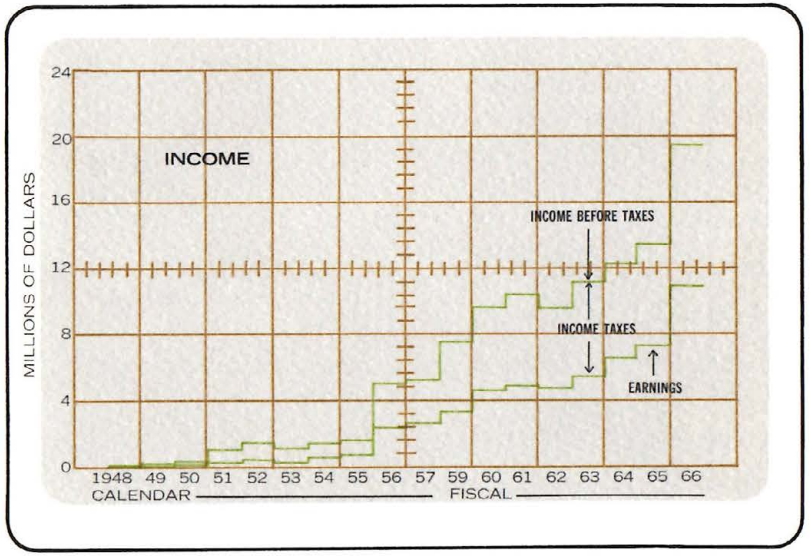

EMPLOYEES
at year end
THOUSANDS
CALENDAR
FISCAL

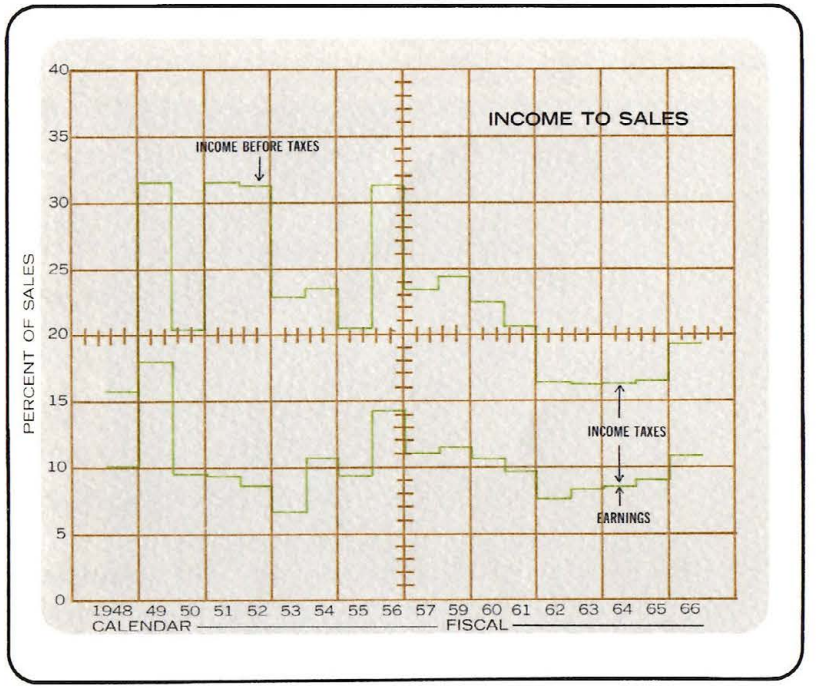

INVENTORIES
at cost
MILLIONS OF DOLLARS
TOTAL
PURCHASED MATERIAL
WORK IN PROCESS
FINISHED GOODS
CALENDAR
FISCAL

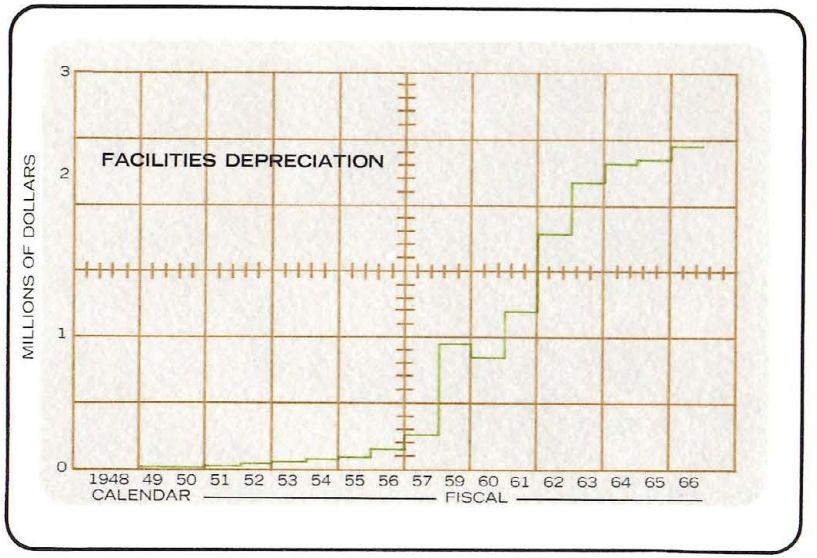

SHAREHOLDERS' EQUITY
MILLIONS OF DOLLARS
SHAREHOLDERS' EQUITY
COMMON SHARE CAPITAL
NET REINVESTED EARNINGS
CALENDAR
FISCAL

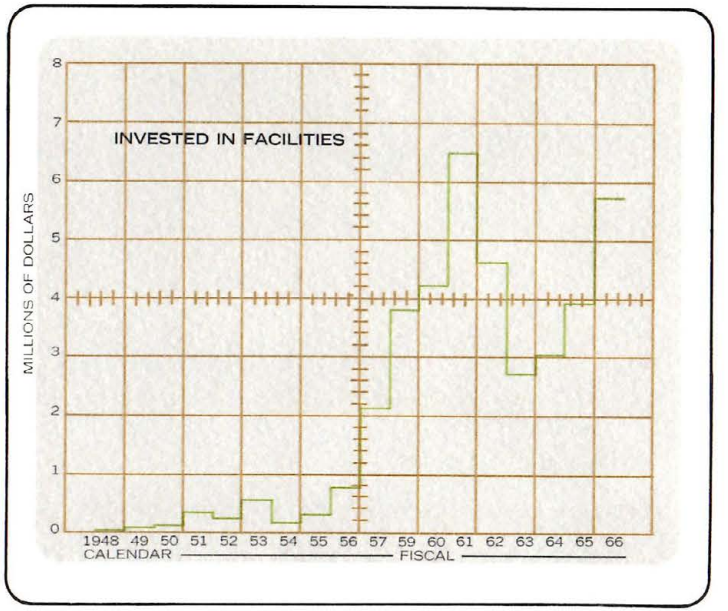

EARNINGS PER SHARE
$1.60
$1.40
$1.20
$1.00
80¢
60¢
40¢
20¢
0¢
1948 49 50 51 52 53 54 55 56 57 59 60 61 62 63 64 65 66
CALENDAR
FISCAL

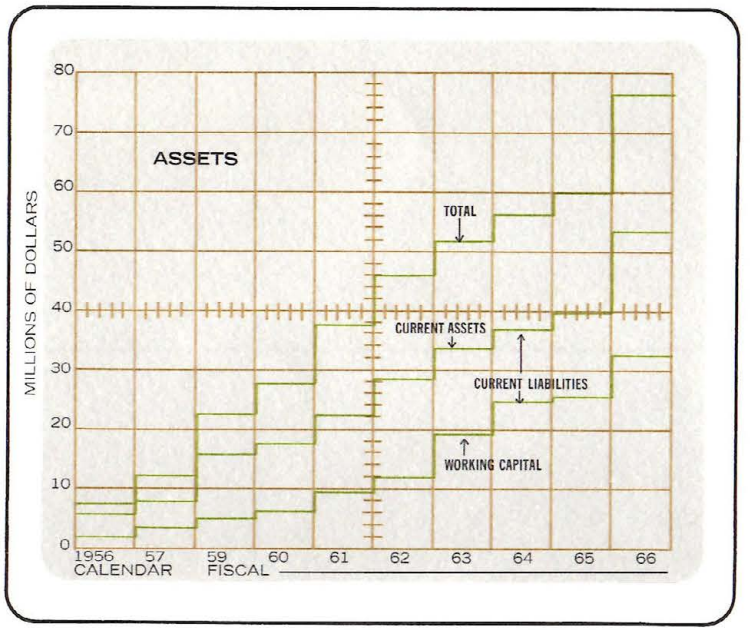

NET SALES
MILLIONS OF DOLLARS
120
100
80
60
40
20
0
1948 49 50 51 52 53 54 55 56 57 59 60 61 62 63 64 65 66
CALENDAR
FISCAL

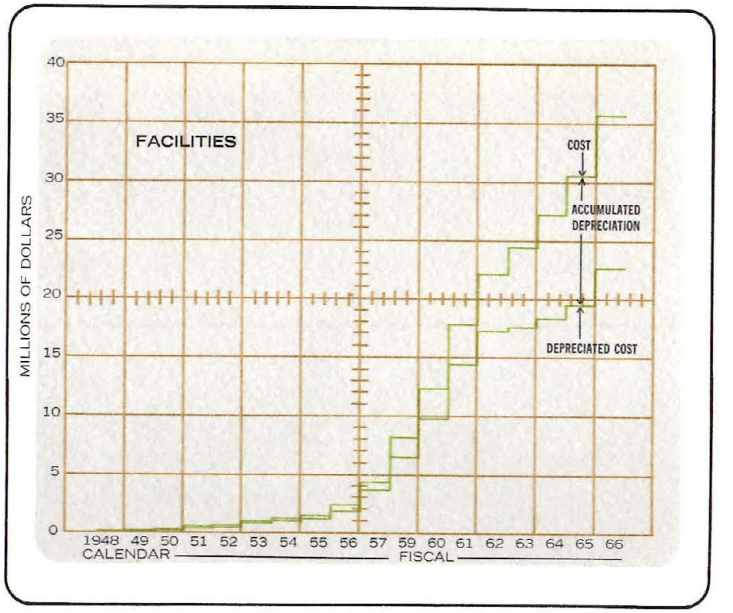

INCOME
MILLIONS OF DOLLARS
24
20
16
12
8
4
0
INCOME BEFORE TAXES
INCOME TAXES
EARNINGS
1948 49 50 51 52 53 54 55 56 57 59 60 61 62 63 64 65 66
CALENDAR
FISCAL


INCOME TO SALES
PERCENT OF SALES
40
35
30
25
20
15
10
5
0
INCOME BEFORE TAXES
INCOME TAXES
EARNINGS
1948 49 50 51 52 53 54 55 56 57 59 60 61 62 63 64 65 66
CALENDAR
FISCAL


FACILITIES DEPRECIATION
MILLIONS OF DOLLARS
0
1
2
3
1948 49 50 51 52 53 54 55 56 57 59 60 61 62 63 64 65 66
CALENDAR
FISCAL


INVESTED IN FACILITIES
MILLIONS OF DOLLARS
0
1
2
3
4
5
6
7
8
1948 49 50 51 52 53 54 55 56 57 59 60 61 62 63 64 65 66
CALENDAR
FISCAL


ASSETS
MILLIONS OF DOLLARS
0
10
20
30
40
50
60
70
80
TOTAL
CURRENT ASSETS
CURRENT LIABILITIES
WORKING CAPITAL
1956 57 59 60 61 62 63 64 65 66
CALENDAR
FISCAL


FACILITIES
MILLIONS OF DOLLARS
0
5
10
15
20
25
30
35
40
COST
ACCUMULATED DEPRECIATION
DEPRECIATED COST
1948 49 50 51 52 53 54 55 56 57 59 60 61 62 63 64 65 66
CALENDAR
FISCAL

EXPLANATION OF FINANCIAL STATEMENTS

Corporate performance and strength are usually measured by financial figures, although they tell only part of the story. It is hoped the explanation included as part of the financial statements will assist shareholders unfamiliar with financial analyses to a better understanding of Tektronix.

Performance is usually presented on the earnings statement, which shows how much of the revenue, mostly from sales, can be kept by the company after paying the costs of goods sold and the expenses of running the business.

Strength is pictured by the financial condition statement, which shows the cost of the assets or resources used in the business and tells what part of them is owned by the shareholders and what part owed to creditors.

Another statement called Resources Provided and Applied is gaining more frequent use, and shows the connection between the other two statements. Note that the first item on the resources statement is the earnings shown on the earnings statement. The last item is the working capital shown on the financial condition statement.

To best adapt to conditions in other countries, Tektronix operates outside the United States through one jointly-owned and several wholly-owned subsidiary corporations. However, a meaningful financial picture of Tektronix is gained only by consolidated figures.

The figures on these explanatory financial statements are rounded to the nearest dollar. The highlights and statistics are rounded to the nearest thousand dollars.

We hope these explanations will contribute to better understanding, and lead to further clarification.

TEKTRONIX CONSOLIDATED RESOURCES PROVIDED AND APPLIED

The annual accounting period is the 52 or 53 weeks ending the last Saturday in May.

1964	1965	1966	
			This statement summarizes the origins of additional resources—the assets used in the business to which a monetary amount can be applied—and tells how the company used them.
$10,755,151	**$10,014,659**	**$14,181,435**	**THESE** (additional) **RESOURCES BECAME AVAILABLE FROM:**
6,308,451	7,318,613	11,052,201	EARNINGS Net income after income taxes.
2,301,269	2,342,107	2,455,869	DEPRECIATION OF FACILITIES The amounts deducted from revenue representing the decrease in value of buildings, machinery and equipment resulting from use, wear and age. These did not involve payments to outsiders, and most were computed by the sum-of-year's-digits method.
27,365	57,294	80,520	AMORTIZATION OF INTANGIBLE ASSETS The amounts deducted from revenue representing the write-off of costs of intangible assets, which also did not involve payments to outsiders.
1,854,000	153,118	391,029	ISSUANCE OF COMMON SHARES Net proceeds from sale of 100,000 new shares to the public in 1964. In 1965 and part of 1966, payments for acquisition of Pentrix Corporation. Balance in 1966 is from exercise of employee stock options. Treasury shares were used in 1966.
264,066	143,527	201,816	RECOVERY OF COST ON SALES OF FACILITIES That part of the proceeds from sales of machinery and equipment no longer needed by the company, equivalent to the depreciated cost.
5,839,396	**9,443,265**	**6,931,376**	**THESE RESOURCES WERE USED FOR:**
3,043,435	3,909,656	5,705,018	ADDITIONS TO FACILITIES Cost of buildings, machinery and furniture purchased or constructed.
2,426,410	3,826,410	42,951	REPAYMENT OF LONG-TERM INDEBTEDNESS Amounts used to make payments due and to make prepayments.
2,015	112,704	68,904	INTANGIBLE ASSETS Amount paid for patents and trademarks, and the excess paid over the value on its books for the acquisition of Pentrix Corporation.
—	139,334	76,135	INVESTMENTS Including cost of investment in 50% owned Sony/Tektronix Corporation and miscellaneous investments.
—	1,455,161	898,599	PURCHASE OF TEKTRONIX, INC. COMMON SHARES Cost.
367,536	—	139,769	OTHER
4,915,755	**571,394**	**7,250,059**	**RESULTING INCREASE IN WORKING CAPITAL** Added to
19,179,522	24,095,277	24,666,671	WORKING CAPITAL AT BEGINNING OF PERIOD Results in
24,095,277	**24,666,671**	**31,916,730**	**WORKING CAPITAL AT END OF PERIOD**

TEKTRONIX CONSOLIDATED EARNINGS AND REINVESTED EARNINGS

The annual accounting period is the 52 or 53 weeks ending the last Saturday in May.

1964	1965	1966	
$75,502,573	$81,099,089	$101,759,190	**NET SALES** For internal purposes, business is measured at the catalog value of the product sold or manufactured, and the resale discount to distributors is considered a marketing expense for the services they provide us and our customers. Tektronix sells directly to customers at retail in the U.S., Canada, U. K., Australia and Switzerland, and to distributors for resale in most of the rest of the world. NET SALES are the amounts received from customers, or distributors after resale discounts. From NET SALES are deducted
34,421,039	35,833,505	44,733,156	**MANUFACTURING COST OF SALES** Includes the cost of materials used in the products sold, the payroll costs of the employees who fabricated and assembled them, the payroll of their supervisors and those who assisted them, and the expense of running the manufacturing operations, leaving
41,081,534	45,265,584	57,026,034	**GROSS PROFIT** From which must be deducted
28,899,462	31,494,171	37,770,045	**OPERATING EXPENSE AND PROFIT-SHARING**
8,927,289	8,988,048	8,744,810	SELLING Comprising payroll of field engineers and employees who assist them, commissions to some marketing representatives, advertising, travel, rent of offices, and the other expenses of marketing.
7,019,176	7,259,937	9,222,491	RESEARCH AND DEVELOPMENT Payroll of engineers, creators and those who help them design and develop new products and improve existing products, including supplies and all other related expenses.
6,444,454	7,692,743	8,992,412	ADMINISTRATIVE Including payroll of executives and personnel working on accounting, employment, data processing, facilities and communication functions, and the many expenses related to them.
6,508,543	7,553,443	10,810,332	PROFIT SHARING (Note 3) Which acts as an incentive for employees' performance by rewarding them with a share of the profits they are responsible for generating, leaving
12,182,072	13,771,413	19,255,989	**OPERATING INCOME** Which is (increased) or decreased by non-operating items
(18,373)	205,330	(346,212)	**NON-OPERATING EXPENSE (INCOME)**
(515,968)	(219,532)	(286,922)	GAIN ON DISPOSITION OF FACILITIES Amount in excess of depreciated cost, recovered from sale of machinery and equipment no longer needed.
485,033	288,878	60,700	INTEREST EXPENSE Cost of borrowed money, including any prepayment penalty.
12,562	135,984	(119,990)	OTHER Including royalties, amortization of intangibles and one half the earnings of 50% owned Sony/Tektronix Corporation, leaving
12,200,445	13,566,083	19,602,201	**INCOME BEFORE INCOME TAXES** From which is deducted
5,891,994	6,247,470	8,550,000	**PROVISION FOR INCOME TAXES** Estimated income taxes of Tektronix, Inc. to be paid to the United States and some twenty state governments, plus estimated income taxes to be paid other countries, related to the taxable income of each subsidiary. Earnings have not been reduced by provision for income taxes that would be paid when subsidiaries distribute their earnings as intercompany dividends. Deduction of income taxes results in
5,093,629	5,293,491	7,097,134	U.S.
400,000	475,000	620,000	STATE
398,365	478,979	832,866	FOREIGN
6,308,451	7,318,613	11,052,201	**EARNINGS** The measure of company performance—the amount available to repay debt and expand business.
32,339	—	—	DIVIDENDS ON CLASS "N" SHARES CANCELLED IN 1963
335,197	—	—	COST OF TEKEM SHARES CANCELLED IN MERGER AND NET MERGER COSTS
26,473,121	32,414,036	39,732,649	REINVESTED EARNINGS AT BEGINNING OF PERIOD
32,414,036	39,732,649	50,784,850	REINVESTED EARNINGS AT END OF PERIOD (Note 4)
78c	91c	$1.38	**EARNINGS PER COMMON SHARE** Earnings for the year divided by the number of common shares outstanding at the end of the year.

The accompanying notes are an integral part of these financial statements.

TEKTRONIX CONSOLIDATED FINANCIAL CONDITION

May 30, 1964	May 29, 1965	May 28, 1966	
$36,857,211	**$39,063,647**	**$52,781,375**	**CURRENT ASSETS** Those assets likely to be converted to cash or used in the ordinary operation of the business, made up of:
4,500,180	3,007,724	1,912,600	CASH Mostly in checking accounts or deposits in transit.
454,710	2,957,164	4,596,094	CASH EARNING INTEREST Invested in savings accounts, certificates of deposit, U.S. treasury bills or prime commercial paper.
10,928,005	12,810,437	17,188,098	ACCOUNTS RECEIVABLE Amounts due from sales to customers on credit.
(127,023)	(130,890)	(135,440)	ALLOWANCE FOR DOUBTFUL ACCOUNTS Estimate of erosion in value of accounts receivable because a few customers may not pay us.
516,715	551,546	680,219	SUPPLIES Items that will be consumed in operating offices, maintaining facilities and running manufacturing plants.
671,468	741,515	746,426	PREPAID EXPENSES Amounts paid for things that will not be used and deducted until the following year, including unexpired insurance premiums.
19,913,156	19,126,151	27,793,378	INVENTORIES AT LOWER OF COST (FIRST-IN, FIRST-OUT) OR MARKET. The cost of products finished but not yet sold; purchased materials and parts to be fabricated and assembled into products; and the materials, payroll costs and other costs accumulated in the process of manufacturing products not yet completed.
6,561,823	4,733,076	4,723,450	Consisting of: Finished goods
8,462,416	8,808,162	12,679,188	Work in process
4,888,917	5,584,913	10,390,740	Purchased materials
12,761,934	**14,396,976**	**20,864,645**	**CURRENT LIABILITIES** Obligations due to be paid within one year, including
44,727	68,879	1,500,000	NOTES PAYABLE Amounts borrowed for less than one year.
426,410	26,410	26,410	CURRENT PORTION OF LONG-TERM INDEBTEDNESS (Note 2) Installment payments due within one year on indebtedness described below.
1,812,681	3,051,153	4,267,336	ACCOUNTS PAYABLE Amounts due suppliers for materials and services bought on credit.
4,939,606	4,912,996	6,299,581	U.S., STATE AND FOREIGN INCOME TAXES Taxes not yet paid.
2,918,990	3,536,519	4,999,463	EMPLOYEE PROFIT SHARING (Note 3) Due employees and their retirement funds.
1,700,123	1,816,304	2,517,011	PAYROLL AND PAYROLL TAXES Amounts due employees next payday, and taxes due on or withheld from pay.
715,382	839,309	1,058,325	VACATIONS Amounts earned by employees for their vacations, but not yet used or paid.
204,015	145,406	196,519	INTEREST AND MISCELLANEOUS TAXES Sales taxes collected and interest.
24,095,277	**24,666,671**	**31,916,730**	**WORKING CAPITAL** Current Assets minus Current Liabilities.
18,091,851	**19,515,873**	**22,720,527**	**FACILITIES AT DEPRECIATED COST** The cost of buildings and equipment used in the business, reduced by depreciation.
17,940,743	18,437,911	22,361,166	BUILDINGS AND GROUNDS Cost of buildings, including parking lots and landscaping.
7,855,004	8,503,843	11,967,478	MACHINERY AND EQUIPMENT Cost of furnishings.
122,166	134,449	142,556	LEASEHOLD IMPROVEMENTS Cost of remodeling and equipping rented space.
(9,031,022)	(11,196,075)	(13,061,147)	ACCUMULATED DEPRECIATION Reduction of value for use, wear and age which has been claimed as expense of doing business, mostly computed by sum-of-year's-digits method.
603,739	616,990	565,012	LAND Cost of land used in business.
601,221	3,018,755	745,462	CONSTRUCTION IN PROGRESS Amounts paid before completion of buildings.
102,143	**157,275**	**145,659**	**INTANGIBLE ASSETS** Amounts paid and not yet deducted as a cost of doing business for patents, trademarks, and the excess paid over the value on its books for the acquisition of Pentrix Corporation.
270,555	**410,167**	**468,750**	**INVESTMENTS** Including cost of land, mostly in Tektronix Industrial Park, not used in the business and the investment in 50% owned Sony/Tektronix Corporation at cost and one half its reinvested earnings.
4,301,790	**475,380**	**432,429**	**LONG-TERM INDEBTEDNESS LESS CURRENT PORTION** (Note 2) The unpaid portion minus payments due within one year of amounts borrowed for more than one year.
38,258,036	**44,274,606**	**54,819,237**	**SHAREHOLDERS' EQUITY** (Notes 4 and 5) The net assets or book value owned by shareholders. This is equal to the total assets (above) minus the total liabilities (current liabilities and long-term indebtedness). Shareholders' equity is made up of:
5,844,000	5,997,118	5,997,118	COMMON SHARES The amount the company received for issuance of common shares.
—	(1,455,161)	(1,962,731)	TREASURY SHARES The cost of Tektronix, Inc. common shares repurchased by the company and held in the company treasury.
32,414,036	39,732,649	50,784,850	REINVESTED EARNINGS The accumulation of earnings that has been reinvested in the business.

TEKTRONIX, INC. AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS, MAY 28, 1966

NOTE 1. PRINCIPLES OF CONSOLIDATION:

The consolidated financial statements include the Company's wholly-owned subsidiaries operating in Canada, England, Channel Island of Guernsey, The Netherlands, Switzerland, and Australia. Translation of foreign currencies to United States dollars has been made at the rates of exchange prevailing at May 28, 1966, these being the approximate rates in effect since the dates of organization of the subsidiaries. All significant intercompany transactions have been eliminated. It is anticipated that the reinvested earnings of foreign subsidiaries will be required for use in their operations and no provision has been made for U. S. income taxes which would accrue upon payment of dividends to Tektronix, Inc.

The equity of Tektronix, Inc. in the net assets (shareholders' equity) of subsidiaries exceeded the cost of its investment in the subsidiaries as follows (in thousands of dollars):

	1966	*1965*	*1964*
Total excess	$6,183	$3,785	$2,160
Intercompany profit in inventories and other assets—eliminated in consolidation	843	784	736
Remainder—included in consolidated reinvested earnings	$5,340	$3,001	$1,424

NOTE 2. LONG-TERM INDEBTEDNESS:

Long-term indebtedness at May 28, 1966 consisted of a 4½% note payable to the City of Heerenveen, The Netherlands, due in annual installments of $26,410. Facilities which cost $1,300,000 are pledged as collateral.

NOTE 3. EMPLOYEE PROFIT-SHARING:

Under the terms of the Company's profit-sharing plan, 35% of income before income taxes, profit-sharing, and charitable contributions is provided for employee profit-sharing.

NOTE 4. SHAREHOLDERS' EQUITY:

Authorized capital consists of 20,000,000 common shares without par value of which the following were issued and outstanding:

Shares	*1966*	*1965*	*1964*
Issued	8,082,080	8,082,080	8,072,700
Reacquired and held in treasury	(98,062)	(74,000)	
Outstanding	7,984,018	8,008,080	8,072,700

The shares in the treasury at May 28, 1966 were reacquired by the Company at a cost of $1,962,731. Because of this acquisition, reinvested earnings available for dividends and other distributions was limited to $48,822,119 at May 28, 1966.

In connection with the acquisition of the net assets and business of Pentrix Corporation in 1964, accounted for as a purchase, the Company issued 8,330 common shares and agreed to issue contingent shares (not to exceed 21,672) based on sales of Pentrix products during the period from March 8, 1964 to March 4, 1967. Pursuant to this agreement the Company has issued, on the basis of sales to March 5, 1966, contingent shares as follows:

Year Ended	*Number of Shares*	*Market Value*
May 29, 1965	1,050	$21,919
May 28, 1966 (treasury shares)	1,638	64,701
Total	2,688	$86,620

The market value of the contingent shares is being charged to income as the liability to issue such shares accrues. The excess ($85,059) of the market value of the initial shares over the value of the net tangible assets acquired will be amortized by charges to income during the period from March, 1967 to May, 1969.

NOTE 5. EMPLOYEE STOCK OPTION PLAN:

Under a stock option plan for employees, in which the options are "qualified stock options" as defined by the Internal Revenue Code, 200,000 common shares of the Company are reserved. The plan provides that the option price shall be not less than 100% of the fair market value of the shares on the date of grant and that the options are exercisable in four (or fewer, where the option period is less than five years) cumulative annual installments beginning one year after the date of grant.

Changes during the year ended May 28, 1966 in the status of options granted were:

		Shares Under Option				
					May 28, 1966	
Year Granted	*Option Price*	*May 29, 1965*	*Granted*	*Exercised*	*Outstanding*	*Exercisable*
1964	$15.95	145,700		19,800	125,900	16,841
1965	21.20	2,000		500	1,500	
1966	38.45		21,200		21,200	
		147,700	21,200	20,300	148,600	16,841

The total option price for the 148,600 shares with respect to which options were outstanding at May 28, 1966 was $2,855,045.

The Company expects to submit for shareholder approval, an employee share purchase plan.

NOTE 6. LONG-TERM LEASES, PLANT EXPANSION, AND COMMITMENTS:

The companies are committed to pay aggregate rentals of approximately $1,364,000 on building leases expiring from June 1966 to September 1984. Rentals under these leases for the year ending May 27, 1967, will be approximately $298,000.

At May 28, 1966, the Company was engaged in the construction of an addition to its plant at Heerenveen, The Netherlands, at a total estimated cost of $480,000 of which approximately $180,000 had been incurred at that date. The Board of Directors has authorized the commencement of construction of a 90,000 square foot Operations Center building in Tektronix Industrial Park and the expenditure of $262,600 for parking and roads relating thereto. The total estimated cost of this project is $2,500,000.

The Board of Directors has authorized the execution of a loan agreement between the Company and Sony/Tektronix Corporation (a 50% owned Japanese company) for $300,000 of which $200,000 was advanced subsequent to May 28, 1966.

ACCOUNTANTS' OPINION

TEKTRONIX, INC.

We have examined the statement of consolidated financial condition of Tektronix, Inc. and subsidiaries as of May 28, 1966 and the related statements of consolidated earnings and reinvested earnings and of consolidated resources provided and applied for the fifty-two weeks then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such auditing procedures as we considered necessary in the circumstances. Previously we made similar examinations for each of the two preceding years shown.

In our opinion, the accompanying statements present fairly the financial position of the companies as of May 28, 1966 and the results of their operations and the resources provided and applied for the fifty-two weeks then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Portland, Oregon
July 18, 1966.

Haskins + Sells

TEKTRONIX CONSOLIDATED FINANCIAL STATISTICS

(DOLLARS AND SHARES IN THOUSANDS)

1959	1960	1961	1962	1963	1964	1965	1966	Fiscal Year ending in May
31,593	**43,006**	**50,278**	**60,136**	**70,451**	**75,503**	**81,099**	**101,759**	**NET SALES**
3,652	**4,568**	**4,909**	**4,607**	**5,771**	**6,308**	**7,319**	**11,052**	**EARNINGS**
46¢	57¢	62¢	58¢	72¢	78¢	91¢	$1.38	Per Share
11.6%	10.6%	9.8%	7.7%	8.2%	8.4%	9.0%	10.9%	% of Sales
50.0%	41.8%	31.7%	22.7%	23.3%	20.7%	19.1%	25.0%	% of Beginning of Year Shareholders' Equity
7,819	**9,668**	**10,448**	**9,787**	**11,433**	**12,200**	**13,566**	**19,602**	**INCOME BEFORE INCOME TAXES**
24.7%	22.5%	20.8%	16.3%	16.2%	16.2%	16.7%	19.3%	% of Sales
9,071	**12,318**	**16,520**	**21,978**	**26,143**	**26,146**	**26,018**	**32,489**	**PAYROLL BEFORE PROFIT-SHARE**
4,334	**5,708**	**5,889**	**5,179**	**6,488**	**6,509**	**7,553**	**10,810**	**EMPLOYEE PROFIT-SHARE**
49	**183**	**355**	**507**	**496**	**485**	**289**	**61**	**INTEREST EXPENSE**
943	**843**	**1,189**	**1,783**	**2,194**	**2,301**	**2,342**	**2,456**	**FACILITIES DEPRECIATION**
3,806	**4,233**	**6,486**	**4,600**	**2,749**	**3,043**	**3,910**	**5,705**	**INVESTED IN FACILITIES**
8,153	**12,366**	**17,970**	**22,139**	**24,623**	**27,123**	**30,712**	**35,782**	**COST OF FACILITIES**
1,613	**2,442**	**3,426**	**4,913**	**7,009**	**9,031**	**11,196**	**13,061**	**ACCUMULATED DEPRECIATION**
22,072	**27,054**	**37,384**	**45,627**	**51,329**	**55,322**	**59,147**	**76,116**	**TOTAL ASSETS**
4,595	**5,345**	**6,436**	**8,401**	**8,958**	**10,801**	**12,680**	**17,053**	**ACCOUNTS RECEIVABLE NET**
9,307	**10,717**	**14,500**	**16,807**	**20,554**	**19,913**	**19,126**	**27,793**	**INVENTORY**
15,532	**17,130**	**22,404**	**27,995**	**33,318**	**36,857**	**39,064**	**52,781**	**CURRENT ASSETS**
11,132	**11,583**	**13,075**	**16,683**	**14,138**	**12,762**	**14,397**	**20,864**	**CURRENT LIABILITIES**
4,400	**5,547**	**9,329**	**11,312**	**19,180**	**24,095**	**24,667**	**31,917**	**WORKING CAPITAL**
—	**—**	**4,000**	**4,528**	**7,128**	**4,728**	**502**	**459**	**LONG-TERM BORROWINGS**
7,980	**7,980**	**7,980**	**7,980**	**7,980**	**8,073**	**8,008**	**7,984**	**COMMON SHARES OUTSTANDING**
10,940	**15,471**	**20,309**	**24,815**	**30,463**	**38,258**	**44,275**	**54,819**	**SHAREHOLDERS' EQUITY**
3,990	**3,990**	**3,990**	**3,990**	**3,990**	**5,844**	**5,997**	**5,997**	**COMMON SHARE CAPITAL**
6,950	**11,481**	**16,319**	**20,825**	**26,473**	**32,414**	**39,733**	**50,785**	**REINVESTED EARNINGS**
2,950	**3,515**	**4,330**	**5,285**	**5,430**	**4,910**	**4,982**	**6,482**	**NUMBER OF EMPLOYEES AT YEAR END**

Statistics for years prior to fiscal 1959 are illustrated in the charts on pages 24-26 and were included in the 1964 annual report.

BOARD OF DIRECTORS

M. J. MURDOCK, *Chairman of the Board*
JAMES B. CASTLES, *Secretary & General Counsel*
WALTER P. DYKE, *President, Field Emission Corporation*
ROBERT G. FITZGERALD, *Vice-President, Operations*
HOWARD VOLLUM, *President*
FRANK M. WARREN, *President, Portland General Electric Company*

OFFICERS AND MANAGEMENT

HOWARD VOLLUM, *President*
ROBERT G. FITZGERALD, *Vice-President, Operations*
WILLIAM B. WEBBER, *Vice-President*
JAMES B. CASTLES, *Secretary and General Counsel*
DON A. ELLIS, *Treasurer*
ELWELL E. SWANSON, *Controller and Assistant Secretary*
F. H. NEISSER, *Assistant Secretary*

MARKETING

KEITH S. WILLIAMS, *Marketing Manager*
THEODORE BRANDT, *Assistant, U.S. Marketing*
RICHARD HERDMAN, *Sales and Promotion*

Regional Sales Managers:
GORDON R. ALLISON, *Dallas*
FRANK ELARDO, *Atlanta*
HAROLD E. CHRISTENSEN, *Los Angeles*
RALPH F. EBERT, *Chicago*
WILLIAM WARD, *Palo Alto*
DANIEL V. GUY, *Long Island*
CHARLES L. BOUFFIOU, *Philadelphia*
WILLIAM F. KLADKE, *Syracuse*

ENGINEERING

WILLIAM J. POLITS, *Engineering Manager*
LANGDON HEDRICK, *Instrument Engineering*
JOHN R. KOBBE, *Project Planning and Advanced Circuitry*
WILLIAM D. WALKER, *Pre-Production Engineering*
GORDON BARNETT, *Display Devices Development*
C. NORMAN WINNINGSTAD, *Information Display Division*

MANUFACTURING

MICHAEL J. PARK, *Manufacturing Manager*
RUSSELL K. HANDLEY, *Materials Management*
FRANK KOPRA, *Quality Assurance*
DERROL PENNINGTON, *Component Manufacturing*
KENNETH F. SPOONER, *Product Manufacturing*
OTTO ZACH, *Manufacturing Planning*

ADMINISTRATION

F. W. BEICHLEY, *Facilities*
BYRON BROMS, *Corporate Planning*
DWAIN QUANDT, *Data Services*
GUYOT FRAZIER, *Personnel*
FRANK CONSALVO, *Information Display Division*

OFFICE OF INTERNATIONAL OPERATIONS

DONALD ALVEY, *Marketing*
EARL WANTLAND, *Manufacturing*
HERMANN HARRI, *Finance*

Subsidiary Managers:
FRANK DOYLE, *Tektronix Ltd. (Guernsey)*
NORMAN T. GWYNN, *Tektronix Guernsey Limited*
THOMAS W. MacLEAN, JR., *Tektronix Holland N.V.*
HARRY SELLERS, *Tektronix U.K. Ltd.*
RAOUL STEFFEN, *Tektronix International A.G. (Switzerland)*
EBERHARD vonCLEMM, *Tektronix Canada Ltd.*
ROBERT JAMES YOUNG, *Tektronix Australia Pty. Limited*

Sony/Tektronix Corporation, Tokyo, Japan
TAKASHI KUMAKURA, *Manager*
HOWARD MIKESELL, *Manufacturing*
JOHN GATES, *Engineering*

TEKTRONIX MANUFACTURING FACILITIES

Tektronix, Inc., Beaverton, Oregon—Headquarters and Main Plant

Tektronix Guernsey Limited, Guernsey—Principally Serving European Free Trade Association

Tektronix Holland N.V., Heerenveen , The Netherlands—Principally Serving European Common Market

Sony/Tektronix Corporation, Tokyo, Japan—Serving Japan and Other Asian Markets

TEKTRONIX MARKETING FACILITIES

UNITED STATES

Tektronix, Inc., Beaverton, Oregon—Headquarters

REGION OFFICES

Atlanta, Ga.
Chicago, Ill.
Dallas, Texas
Long Island, N. Y.
Los Angeles, Cal.
Palo Alto, Cal.
Philadelphia, Pa.
Syracuse, N. Y.

FIELD OFFICES

Albuquerque, N. M.
Atlanta, Ga.
Baltimore, Md.
Boston, Mass.
Buffalo, N. Y.
Chicago, Ill.
Cleveland, Ohio
Columbus, Ohio
Dallas, Texas
Dayton, Ohio
Denver, Colo.
Detroit, Mich.
Endicott, N. Y.
Greensboro, N. C.
Hinsdale, Ill.
Houston, Texas
Huntsville, Ala.
Indianapolis, Ind.
Kansas City, Kan.
Long Island, N. Y.
Minneapolis, Minn.
Orange, Cal.
Orlando, Fla.
Palo Alto, Cal.
Pasadena, Cal.
Philadelphia, Pa.
Phoenix, Arizona
Pittsburgh, Pa.
Poughkeepsie, N. Y.
San Antonio, Texas
San Diego, Cal.
Seattle, Wash.
Stamford, Conn.
Syracuse, N. Y.
Union, N. J.
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