



PRESIDENT EARL WANTLAND addresses shareholders as Paul Boley, Frank Warren and Howard Vollum look on.

## Optimism expressed at shareholders' meeting

Last year was a very good one and the next two will be more of the same.

That was the message to some 100 Tek shareholders at last Saturday's annual meeting held in the Assembly cafeteria (45).

President Earl Wantland pointed to last year's financial results—sales up 24 per cent and earnings up 23 per cent—to back up his message. He added that the \$65 million sales increase last year was the total sales amount back in 1962-63.

Earl was even more pleased with the 12-week first quarter which ended August 23 when sales were up 3 per cent, profits increased by 8 per cent, and profits before taxes were up 14.6 per cent.

All of these gains were made despite inflation and an off-year in the U.S. and foreign economies.

As for the future, Earl noted a growing optimism for 1976-77 as the economy improves. "There is no end to Tek's optimism and confidence in the future—and I share it."

The Tek president expressed some concerns in business matters such as increasing corporate tax burdens and

the cost of doing business. But his main concern was the developing negative attitude about corporations and profits.

"People need to know that profits are used for investments within the company—like seed grains for next year's crop—and are not a rip-off to customers. Unfortunately, people have been eating a growing percentage of next year's seed grains."

In his report, Earl also reviewed the three plant shutdowns, company reorganization, activity of directors the past year, and the trial judge's recent determination of Tek's compensation from the patent infringement suit against the government.

Les Stevens, group vice-president—Finance, also echoed Earl's positive report, noting that Tek's financial results were outstanding despite a year of recession and unemployment.

He was especially pleased with the improvement in manufacturing cost of sales, the fourth straight year that has happened, and noted that the company still has a substantial order backlog.

On record interest rates and the credit crunch, Les said Tek reduced its short-term debt and has gone in for more long-term financing such as the recent issuing of \$35 million in notes to the public last August.

As for the future, Les feels the year ahead is very promising and "we're going after it."

Bill Polits, group vice-president and Manufacturing manager, reported that production bottlenecks were solved last year and productivity was on a very good level. Material and component shortages decreased and good progress was made on the inventory.

Don Alvey, group vice-president and Marketing manager, said Tek's strategy during a year of complex marketing conditions and constant uncertainty was to sell in areas with most potential such as funded programs in research and alternate energy sources.

Regarding worldwide markets, Don said Tek is concentrating on developing markets in Latin America, the Middle East and Africa. A region manager has been based in Iran, for example. However, Europe still has the "lion's share" of Tek's international market which is 40 per cent of the company's sales.

Don also announced that the new building for Tek France is about ready and Sony/Tek will also be moving to larger quarters during the coming year.

Larry Mayhew, vice-president and IDG general manager, said Tek is now an acknowledged leader in computer display applications after only five years in the business. Overall demand for ID products is strong and the first quarter results showed that the leveling off of business is over.

Bill Walker, group vice-president and Test & Measurement Group manager, noted that Tek is the second largest electronic test and measurement manufacturer, but the largest supplier of the oscilloscope—the most widely used test and measurement instrument.

He discussed the recent reorganization, the continuing healthy growth of the Grass Valley Group, Tek Lab's role as a place to fit "start-up" situations, and concluded with a review of new products such as the logic analyzer and TM500 instruments, plus hybrid circuitry and microprocessors.

Board Chairman Howard Vollum presided over the two-hour meeting which saw shareholders re-electing the board of directors and approving two other proposals—an amendment to the Employee Share Purchase Plan (for Grass Valley employees) and approval of selection of auditors (Haskins & Sells).

Only two shareholders voiced questions during the meeting—one inquiring on R&D expenditure expectations (Bill Walker said it will be similar to last year), and another about Tek's role in solar energy (no plans at present) and why we moved some operations to Wilsonville (for additional space to grow and expand).