

To shareholders and employees:

Change often happens so gradually that at any given time it's imperceptible. But at other times, changes are more pronounced. That latter sort of change is taking place now at Tektronix.

We are moving from a period—several years—of heavy investment in the future into a period of realizing the returns on those large expenditures. A parade—already begun—of significant new instruments is continuing; at the same time, expense levels are dropping.

This reduction didn't quite offset our lowered income, as the US recession continued to adversely affect sales and orders. But it did minimize their effect on earnings, which were off three cents per share for the quarter, at 30 cents (but up from \$1.71 to \$1.73 for the year ended August 22, compared to the year before). Details of the quarter's financial performance are found on the other side of this folder.

Financial statements comparing the latest quarter with the preceding one show the trend. Expenditures for engineering have dropped from \$3,936,000 to \$3,452,000; for selling, from \$3,860,000 to \$3,508,000; and for administration, from \$3,311,000 to \$2,650,000. Total expenses went down by 21 per cent.

In light of general profit levels in today's business world, I suppose a shareholder might find our quarterly figures reasonable. Yet they are not satisfactory to **us**; we're continuing to bend every effort to increase orders, sales, efficiency—and earnings.

Seeing daily, as I do, the broad skills and great energy of your company, I find it very easy to be optimistic about tomorrow. It's harder, however, to **define** "tomorrow," for the US economy seems to be showing, as of yet, only the slightest twitches of recovery.

But **whenever** "tomorrow" comes, Tektronix will be ready, with a wide array of excellent, needed products and a strengthened organization.

* * *

At the annual meeting, our seven directors were re-elected: Jack Murdock, Earl Wantland, Robert Fitzgerald, Jim Castles, Walter Dyke, Frank Warren and myself. Haskins & Sells were once again selected auditors.

Before and after the meeting, shareholders had a chance to see and, if they wished, to operate some of our new instruments. Most of these were described in your recent annual report. One that wasn't however, was the 1701, one of our machine-control units just introduced in September.

These special products, designed for a market new to us, use computer-generated tapes to provide automatic control of production machinery. Two models, the 1701, a two-axis unit, and the 1702, a three-axis unit, comprise the current line.

Our practice has always been to move into a new product field only when we feel we can make a real contribution to it. In this case, we offer high quality, small size and wide flexibility, plus an unusual feature: Cathode-ray-tube monitoring of the tool path. By coupling a 611 display unit to the 1701/1702, the user can quickly check out a new tape by getting a plot of the tool path on the CRT screen. Since this process is limited in speed only by the tape reader rather than by the machine tool, a lot of time can be saved.

In addition to new, advanced instruments already in delivery status, many others with comparable potential are moving quickly and smoothly toward introduction. One reason the process is so smooth is our recent reorganization along product lines. Marketing has matched Engineering's restructuring into three product-related groups by naming three corresponding product-line managers. And, to make sure each new instrument moves easily into the production process, that responsibility has been assigned in each case to a specific Manufacturing manager.

The new organization is certainly working out very well, and is one of our biggest assets. But there are other plusses:

Productivity is increasing, as new-instrument production techniques become increasingly familiar. Marketing efforts are intensifying; our Information Display Products people, for example, have substantially improved their contact with customers. Overhead costs are coming into line with revenue, thanks in part to the transfer since spring of about 480 people into production jobs. They have responded with excellent performance, adding to product output and, in many cases, broadening themselves by acquiring new skills, which in the future will benefit them and Tektronix alike.

In the US today, liquidity problems plague many businesses. Tektronix is fortunate in that respect, for we have very little borrowing. The \$14 million at present outstanding represents only 12 per cent of shareholder equity.

But our greatest asset continues to be one whose value increases as times get tougher. That, of course, is the men and women whose efforts make this company succeed. In the past unsettling months, they have responded with performance in many cases exceeding the call of duty—reinforcing once again my belief that Tektronix employees, as I noted at the annual meeting, are a truly remarkable group of people.

Howard Vollum

President



Tektronix, Inc.
P. O. Box 500
Beaverton, Oregon 97005

PRICE PERFORMANCE OF selected stocks is instantly viewed in a stockbroker's office, on the Tektronix T4002 graphic terminal. The financial-analysis "package" used here is supplied by Information Sciences, Inc., Portland, Oregon.



Tektronix, Inc. **Interim Report** **August 22, 1970**

TEKTRONIX, INC. CONSOLIDATED WITH SUBSIDIARIES
UNAUDITED FINANCIAL STATEMENTS (THOUSANDS)

OPERATION					CONDITION			
12 WEEKS ENDED	12 WEEKS ENDED	52 WEEKS ENDED	52 WEEKS ENDED		Aug. 23 1969	May 30 1970	Aug. 22 1970	
\$35,011	\$33,956	\$151,540	\$164,150	NET SALES	\$80,588	\$98,430	\$93,436	CURRENT ASSETS
18,564	18,207	77,120	83,470	MANUFACTURING COST OF SALES	7,704	7,979	5,484	Cash including cash earning interest
16,447	15,749	74,420	80,680	GROSS PROFIT	25,146	28,519	26,642	Accounts receivable — net
11,625	11,726	49,883	56,735	EXPENSES	8,195	11,270	13,311	Finished inventory
2,993	3,508	12,554	15,070	Selling	35,707	46,989	45,577	Other inventory
3,129	3,452	13,356	15,706	Engineering	3,836	3,673	2,422	Prepaid expenses
2,730	2,650	11,195	13,132	Administration	22,043	38,573	31,549	CURRENT LIABILITIES
55	285	241	910	Interest expense	3,343	13,526	14,026	Indebtedness — current portion
157	(290)	(409)	(787)	Non-operating (income) expense	5,142	6,296	3,921	Accounts payable
2,561	2,121	12,946	12,704	Employee profit share	6,494	6,299	6,465	Income taxes
4,822	4,023	24,537	23,945	INCOME BEFORE INCOME TAXES	7,064	12,452	7,137	Accrued expenses
2,136	1,595	10,719	9,950	PROVISION FOR INCOME TAXES	58,545	59,857	61,887	WORKING CAPITAL
1,742	954	7,869	6,695	Federal	38,411	48,185	48,484	FACILITIES at depreciated cost
155	146	834	817	State	2,668	2,426	2,415	INTANGIBLE ASSETS
239	495	2,016	2,438	Foreign	1,044	2,114	2,200	INVESTMENTS at cost
2,686	2,428	13,818	13,995	Earnings Before Minority Interest	(353)	(306)	(306)	LONG-TERM INDEBTEDNESS—less current portion
—	—	33	—	Minority Interest in Earnings	—	—	—	MINORITY INTEREST IN EQUITY
2,686	2,428	13,785	13,995	EARNINGS	100,315	112,276	114,680	SHAREOWNERS' EQUITY
33¢	30¢	\$1.71	\$1.73	EARNINGS PER SHARE	6,312	6,711	6,711	Common shares
					(29)	(16)	(31)	Less treasury shares at cost
					94,032	105,581	108,000	Reinvested earnings

Supplemental information

928 40,715	1,275 32,189	3,949 161,172	5,169 158,256	
				Depreciation of facilities (mostly accelerated)
				Orders received

Supplemental information

24,400 12,600 8,097 1,826 9,436	18,600 15,600 8,108 2,081 9,857	16,400 18,500 8,107 2,184 9,477	
			Product unfilled orders at catalog price
			Product finished inventory at catalog price
			Common shares outstanding
			Buildings (thousand square feet)
			Employees (number)

To shareholders and employees:

Financial data in this report pretty well describe our last quarter. The U.S. economy showed only slight glimmers of recovery, and the slump continued to adversely affect our orders, sales and earnings.

(To give you an additional—and probably better—measurement of our performance, we have also included in this report operational figures for the 12 weeks ended August 22, 1970.)

As you may know, we have cut expenditures, transferred people into production jobs and shut down the company for two weeks at Christmas. We chose these moves instead of more severe ones, to buy time in which to fully study our situation and to give the economic picture every possible chance to brighten.

Although the hoped-for has not happened—economic recession continues—the picture is a bit brighter now: National fiscal and monetary policies have become more expansionary, which should benefit us; and our orders have stopped declining.

However, we can not forecast a rapid improvement in our situation. The need is obvious for us to curtail our production and to trim other expenses correspondingly. To do this in the most effective way, we have asked each employee to take 10 days off work by May 1. This move will cut both output and expenses, and do so fairly fast; our hope is that it will forestall an actual reduction in the work force, with all the inefficiency and heart-ache that would create.

We hope that the long-awaited economic upswing will happen soon, so that we can once again resume sound company growth.

New-product development continues very smoothly, and at an accelerated pace. One major addition to our product line, the 5103 oscilloscope, will be introduced this month. The 5100 series is by far the most versatile

low-frequency system anywhere. Made in two modules, display module and plug-in module, it may be converted from cabinet to 5¼-inch rackmount and back again. Four interchangeable display modules give a choice of single- or dual-beam storage or non-storage CRTs, with a 4 x 5-inch graticule area. The 5103 is the only low-frequency plug-in scope. It accepts up to three of nine plug-in units, with more to come—a combination of features and prices that should prove very attractive.

In February, we will bring out another major addition to our product line. Like the 5100 series, it will move advanced scope performance down into a lower price range. Both lines should be very competitive instruments.

Continued improved productivity is reflected in the increased ratio of output to standard hours worked; our delivery position in all but a very few products is excellent. Our financial strength is undiminished. Nationally, the drop in interest rates and the proposed liberalization of depreciation deductions should have *some* effect on capital-goods buying, which would benefit us; and, locally, a decrease in the large payroll tax supporting mass transit will reduce our expenses.

So, all is not black—certainly not as dark as for much of our industry, in which numerous companies have had to face severe losses in earnings. But things are gray enough to spur us once again to renewed efforts in product marketing, and in increased productive efficiency.

As to the world about us, I hope that the apparent small signs of coming economic recovery do turn out to be true heralds of better fortune in the new year. Tektronix' men and women will, as ever, be ready and responsive.

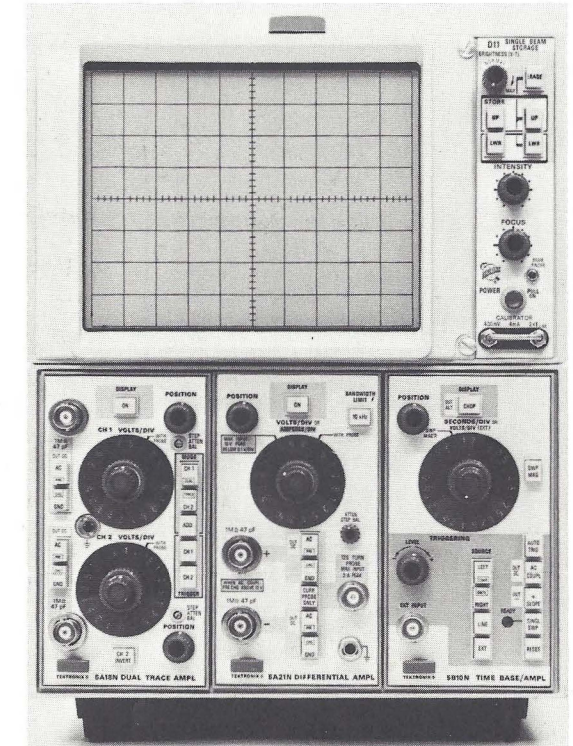
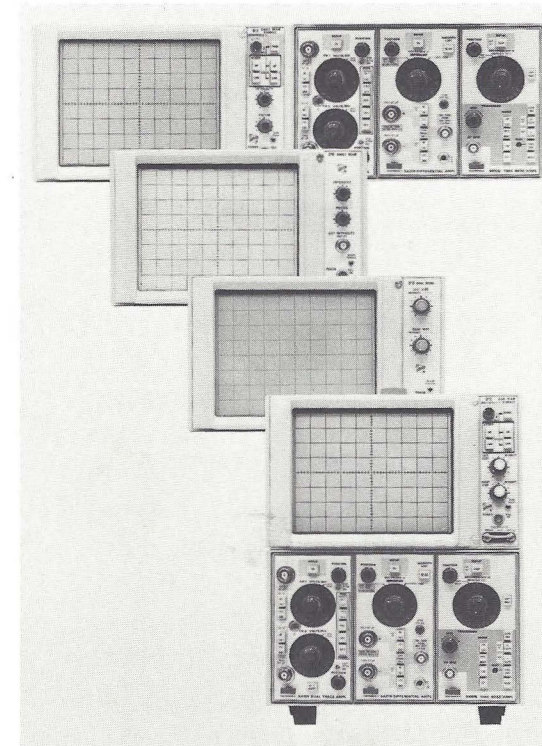
Howard Vollum

President

January 15, 1971

Tektronix, Inc.
P.O. Box 500
Beaverton, Oregon 97005

THE TYPE 5103 oscilloscope, to be introduced this month, ushers in the 5100 series, the most versatile low-frequency system anywhere. Shown below are (from top) the rackmount version, single- and dual-beam display modules and the cabinet version (also at right). Display modules come in storage or non-storage. The world's only low-frequency plug-in oscilloscope, the 5103 accepts three of nine existing plug-ins.



Tektronix, Inc.
Interim Report
November 14, 1970

TEKTRONIX, INC. CONSOLIDATED WITH SUBSIDIARIES
UNAUDITED FINANCIAL STATEMENTS (THOUSANDS)

OPERATION

12 WEEKS ENDED	12 WEEKS ENDED	12 WEEKS ENDED	52 WEEKS ENDED	52 WEEKS ENDED	
Nov. 15 1969	Aug. 22 1970	Nov. 14 1970	Nov. 15 1969	Nov. 14 1970	
\$40,802	\$33,956	\$32,716	\$158,916	\$156,064	NET SALES
21,202	18,207	17,829	81,524	80,097	MANUFACTURING COST OF SALES
19,600	15,749	14,887	77,392	75,967	GROSS PROFIT
13,116	11,726	11,550	51,905	55,169	EXPENSES
3,238	3,508	3,622	13,009	15,453	Selling
3,417	3,452	3,350	13,735	15,639	Engineering
3,061	2,650	2,686	11,919	12,756	Administration
103	285	351	337	1,159	Interest expense
(170)	(290)	(232)	(549)	(848)	Non-operating (income) expense
3,467	2,121	1,773	13,454	11,010	Employee profit share
6,484	4,023	3,337	25,487	20,798	INCOME BEFORE INCOME TAXES
2,884	1,595	1,353	11,222	8,418	PROVISION FOR INCOME TAXES
1,970	954	752	8,060	5,477	Federal
159	146	125	841	782	State
755	495	476	2,321	2,159	Foreign
3,600	2,428	1,984	14,265	12,380	Earnings Before Minority Interest
—	—	—	15	—	Minority Interest in Earnings
3,600	2,428	1,984	14,250	12,380	EARNINGS
44.4¢	29.9¢	24.5¢	\$1.76	\$1.53	EARNINGS PER SHARE

Supplemental information

1,019	1,275	1,222	4,126	5,372	Depreciation of facilities (mostly accelerated)
37,301	32,189	29,025	166,620	149,980	

CONDITION

Nov. 15 1969	Aug. 22 1970	Nov. 14 1970	
\$85,444	\$93,436	\$95,871	CURRENT ASSETS
5,281	5,484	7,862	Cash including cash earning interest
28,698	26,642	23,699	Accounts receivable — net
8,697	13,311	15,886	Finished inventory
39,295	45,577	45,844	Other inventory
3,473	2,422	2,580	Prepaid expenses
26,613	31,549	32,451	CURRENT LIABILITIES
4,126	14,026	13,026	Indebtedness — current portion
4,506	3,921	4,110	Accounts payable
6,867	6,465	6,027	Income taxes
11,114	7,137	9,288	Accrued expenses
58,831	61,887	63,420	WORKING CAPITAL
41,530	48,484	48,963	FACILITIES at depreciated cost
2,575	2,415	2,327	INTANGIBLE ASSETS
1,545	2,200	2,281	INVESTMENTS at cost
(353)	(306)	(306)	LONG-TERM INDEBTEDNESS—less current portion
104,128	114,680	116,685	SHAREOWNERS' EQUITY
6,509	6,711	6,711	Common shares
(13)	(31)	(19)	Less treasury shares at cost
97,632	108,000	109,993	Reinvested earnings

Supplemental information

20,300	16,400	12,200	Product unfilled orders at catalog price
13,800	18,500	22,700	
8,103	8,107	8,108	Common shares outstanding
1,899	2,184	2,177	Buildings (thousand square feet)
9,908	9,477	9,278	Employees (number)

To shareholders and employees:

Jubilation is not a common state of mind in US business nowadays. But, as I write, the mood of many Tektronix people is nothing short of jubilant.

As you might suppose, their reaction is not to financial performance. Our past quarter, summarized in this report, continued to reflect soft markets and a sluggish economy.

Their exuberance, rather, stems from our success at two recent major US electronics shows. Response, from customers and competitors, to a large number of significant new Tektronix instruments testified once again to the continued creative technical vitality of your company. The shows were the Institute of Electrical and Electronics Engineers in New York and National Association of Broadcasters in Chicago. At both, Tektronix did itself proud.

Of three circumstances that affect its growth, a company can do nothing about one—and only a bit about the second. But it can do a great deal about the third.

First is to operate within a booming economy. Needless to say, it's been a while since Tektronix, or any US company, could do that.

Second is for it to belong to a fast-growing segment of that economy. Electronics, reflecting the sag in aerospace and reduced government funding, is not growing fast.

Third is to increase its share of the market, and to **expand** that market itself. In this respect, we are making long strides. Our success at the recent shows clearly indicates increased competitive strength.

The very large number of instruments announced in the last fiscal quarter—45 new products in all—has bolstered our position in market areas where we were already strongest, and recaptured the lead in those segments where competition was keenest. And, by offering performance never before available, we expect to create **new** markets.

Forty-five new products is far too many to review here. But let me briefly outline some major product areas:

Portables—Truly portable oscilloscopes are almost unique to Tektronix. These small, lightweight instruments, combining laboratory performance with ruggedness, have become the favorites of many users, such as those in computer servicing. Our 453 and 454 are now the standards in that industry. This quarter we have introduced the 453A and 454A, new instruments with significant improvements, to take their place.

We also introduced the Sony/Tektronix 324, a 10 MHz portable manufactured by our jointly owned Tokyo subsidiary. It weighs only eight pounds.

Television instruments. Another market where Tektronix has been very strong from the start has been TV instrumentation. By anticipating its needs, and providing products that more than met them, we have made our waveform monitors and vectorscopes the standards for that industry. This quarter we expanded our product line by adding the 146 and 147 test-signal generators, and our first two TV picture monitors—the 630 (engineered and built by Tektronix Holland) for black and white and the 650 for color.

High frequency. Traditionally, "state of the art" in oscilloscopes has come to be equated with bandwidth. Tektronix has led in this area most of the time. The introduction of the 500 MHz 7904 maintains that lead. The world's fastest real-time oscilloscope, it has four-plug-in versatility, and scale-factor readout on the CRT screen. It will be available for delivery late in the calendar year.

Low frequency. We've brought new performance and versatility to the low-frequency end of the spectrum also, with the lower-priced 5100 series. The early order rate is exceptionally brisk for these instruments, which were described in the last quarterly report. The only plug-in low-frequency scope system, it also offers interchangeable display units, and can convert in minutes between rack and bench models.

25 to 50 MHz. In the mid-frequency area, where most scopes are sold, we've pushed high performance down into a lower price range with the 50 MHz 7400 series of three-plug-in instruments. Small, light and offering a 6 1/2-inch CRT and many advanced features, the scopes are expected to be very strong competitors in the "bread and butter" center of the product line.

One of the most popular instruments at IEEE was the 25 MHz Telequipment D-67, designed and built by our subsidiary in London. This dual-trace delayed-sweep scope sells for less than \$1000—an excellent value.

Besides new scopes and plug-in units, we introduced a large number of supplemental products, including cameras, sampling heads and probes.

A competitor remarked to one of our booth staff: "I see you've been busy." Yes, we have; and we intend to continue. After all, that's what technical leadership is all about.

Howard Vollum

President
April 12, 1971



Tektronix, Inc. **Interim Report** **March 6, 1971**



THE WORLD'S FASTEST real-time oscilloscope is the 500-MHz Tektronix 7904, introduced in March. This state-of-the-art instrument accepts up to four interchangeable plug-in units, and offers scale-factor readout on its cathode-ray-tube screen.

Tektronix, Inc.
P. O. Box 500
Beaverton, Oregon 97005

TEKTRONIX, INC. CONSOLIDATED WITH SUBSIDIARIES
UNAUDITED FINANCIAL STATEMENTS (THOUSANDS)

OPERATION

16 WEEKS ENDED	16 WEEKS ENDED	52 WEEKS ENDED	52 WEEKS ENDED	
Mar. 7 1970	Mar. 6 1971	Mar. 7 1970	Mar. 6 1971	
\$49,294	\$43,097	\$164,506	\$149,867	NET SALES
26,411	24,143	85,254	77,830	MANUFACTURING COST OF SALES
22,883	18,954	79,252	72,037	GROSS PROFIT
16,735	14,329	54,513	52,762	EXPENSES
4,463	4,625	13,795	15,615	Selling
4,902	4,134	14,959	14,872	Engineering
4,109	3,096	12,882	11,743	Administration
241	314	499	1,232	Interest expense
(207)	(277)	(647)	(920)	Non-operating (income) expense
3,227	2,437	13,025	10,220	Employee profit share
6,148	4,625	24,739	19,275	INCOME BEFORE INCOME TAXES
2,254	1,963	10,388	8,127	PROVISION FOR INCOME TAXES
1,342	1,079	7,115	5,214	Federal
133	183	793	832	State
779	701	2,480	2,081	Foreign
3,894	2,662	14,351	11,148	EARNINGS
48¢	33¢	\$1.77	\$1.38	EARNINGS PER SHARE

Supplemental information

1,523	1,748	4,458	5,598	
47,952	42,635	165,130	144,662	
				Depreciation of facilities (mostly accelerated)
				Orders received

CONDITION

Mar. 7 1970	Nov. 14 1970	Mar. 6 1971	
\$89,327	95,871	\$95,400	CURRENT ASSETS
5,225	7,862	7,554	Cash including cash earning interest
27,506	23,699	24,308	Accounts receivable — net
10,302	15,886	15,769	Finished inventory
42,960	45,844	45,072	Other inventory
3,334	2,580	2,697	Prepaid expenses
30,890	32,451	28,969	CURRENT LIABILITIES
12,026	13,026	12,826	Indebtedness including current portion
4,773	4,110	3,835	Accounts payable
4,773	6,027	4,724	Income taxes
9,318	9,288	7,584	Accrued expenses
58,437	63,420	66,431	WORKING CAPITAL
45,873	48,963	48,365	FACILITIES at depreciated cost
2,522	2,327	2,395	INTANGIBLE ASSETS
1,645	2,281	2,432	INVESTMENTS at cost
(306)	(306)	(280)	LONG-TERM INDEBTEDNESS—less current portion
108,171	116,685	119,343	SHAREOWNERS' EQUITY
6,672	6,711	6,718	Common shares
(27)	(19)	(46)	Less treasury shares at cost
101,526	109,993	112,671	Reinvested earnings

Supplemental information

18,000	12,200	11,500	
16,700	22,700	22,200	
8,107	8,108	8,107	Product unfilled orders at catalog price
1,925	2,177	2,192	Product finished inventory at catalog price
10,173	9,278	9,052	Common shares outstanding
			Buildings (thousand square feet)
			Employees (number)