

## To shareholders and employees:

Tektronix entered the year looking for a modest gain in sales and a more substantial one in orders. And that's about how the first quarter went: Sales were up 4 per cent, orders 13 per cent, compared with the same period last year.

The quarter also underscored a problem we discussed with you in our annual report: High cost of sales. We then made a flat pledge to reduce it. This quarter we took a firm if reluctant remedial step: Layoff of some 350 people.

Orders increased to \$36,497,000 from \$32,189,000. Sales went up to \$35,299,000 from \$33,956,000. But earnings, reflecting cost of sales, dropped to \$1,936,000 (24 cents a share) from \$2,428,000 (30 cents a share).

A main cause of our problem has been excess capacity, something certainly not unique to just our company these days. The layoff, a move we'd worked hard to avoid over the past year, was completed too late in the quarter to make a positive effect on earnings.

Of the 350 people, we've helped about 150 obtain jobs elsewhere (and others have secured work themselves). Our placement efforts are continuing.

We're also bearing down hard on productivity. Understandably, building inventory doesn't spur individual effort like building to reduce backlog would. The improved order rate should help in this regard; so should the transition, now in progress, to newer instrument models with lower manufacturing costs "built in."

Out in the market, we're in very good shape. The improved order rate is only beginning to show the effect of our many exceptional new products. We can expect continued competitive gains.

Two recent actions of the board of directors deserve mention:

To fill the vacancy caused by Jack Murdock's death last spring, Paul L. Boley was added to the board. Mr. Boley, 60, is a partner in a Portland law firm and has served as

legal counsel to Tektronix since 1961. He is a trustee of Lewis & Clark College; founder and board chairman of Tucker-Maxon Oral School, for children with impaired hearing; and a co-executor of Jack's will.

At its August meeting, the board elected me chairman, filling the position Jack had held since 1960.

At the September 18 annual shareholders meeting, all seven directors were re-elected: Mr. Boley, Earl Wantland, Robert Fitzgerald, Jim Castles, Walter Dyke, Frank Warren and myself. Haskins & Sells were again selected auditors.

Looking ahead, we can't count on any sudden dramatic improvement in our fortunes, and the stimulating effect that would have. As for the US economy, the "light at the end of the tunnel" is a very diffuse one.

So, our gains in the months ahead probably will be moderate and steady ones, the result of many accumulated individual efforts. We have the ingredients we need: A superior product line, financial strength, experienced management — and good people, who, even in the absence of tangible results, have continued month after month to do an outstanding job.

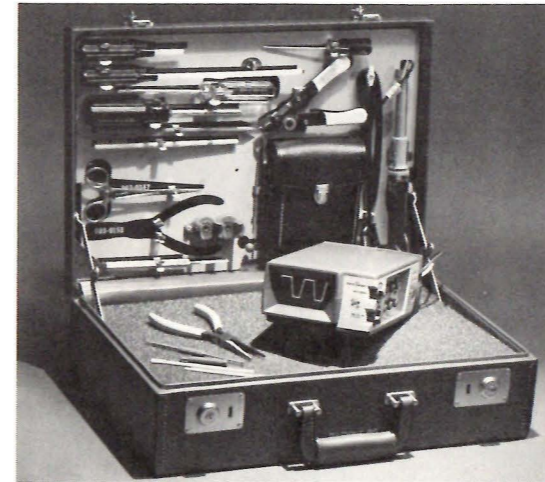
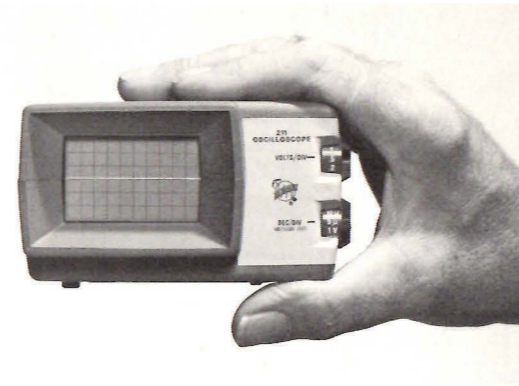
The past year has been a long haul—a haul that unfortunately isn't over yet. The prospect of "more of the same" is nothing to shout about. But signs of improvement *have* begun to appear. As they face the months ahead, Tektronix men and women are not dismayed but resolute and quietly confident.

*Howard Vollum*

President

September 29, 1971

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



***Tektronix, Inc.***  
***Interim Report***

***August 21, 1971***

*TEKTRONIX KEEPS MAKING it easier and easier to get the oscilloscope to the measurement. This is the tiny battery-operated 211 "miniscope," just announced. Fitting nicely into the hand, tool kit, coat pocket or glove compartment, the three-pound 211 nevertheless offers laboratory performance: 500-KHz bandwidth, 1-mv deflection.*



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

**OPERATION**

12 WEEKS ENDED	12 WEEKS ENDED	52 WEEKS ENDED	52 WEEKS ENDED	
Aug. 22 1970	Aug. 21 1971	Aug. 22 1970	Aug. 21 1971	
\$33,956	\$35,299	\$164,150	\$147,342	NET SALES
18,207	19,733	83,470	81,612	MANUFACTURING COST OF SALES
15,749	15,566	80,680	65,730	GROSS PROFIT
11,726	12,239	56,735	50,748	EXPENSES
3,508	3,863	15,070	16,073	Selling
3,452	4,004	15,706	15,061	Engineering
2,650	2,759	13,132	11,476	Administration
285	173	910	1,042	Interest expense
(290)	(303)	(787)	(801)	Non-operating (income) expense
2,121	1,743	12,704	7,897	Employee profit share
4,023	3,327	23,945	14,982	INCOME BEFORE INCOME TAXES
1,595	1,391	9,950	6,145	PROVISION FOR INCOME TAXES
954	819	6,695	3,636	Federal
146	100	817	529	State
495	472	2,438	1,980	Foreign
2,428	1,936	13,995	8,837	EARNINGS
30¢	24¢	\$1.73	\$1.09	EARNINGS PER SHARE

Supplemental information

1,275 32,189	1,347 36,497	5,169 158,256	5,885 147,072	
				Depreciation of facilities (mostly accelerated)
				Orders received

**CONDITION**

Aug. 22 1970	May 29 1971	Aug. 21 1971	
\$93,436	\$99,084	\$98,878	CURRENT ASSETS
5,484	7,775	8,474	Cash including cash earning interest
26,642	26,333	26,829	Accounts receivable — net
13,311	16,360	16,658	Finished inventory
45,577	45,949	44,207	Other inventory
2,422	2,667	2,710	Prepaid expenses
31,549	29,481	26,515	CURRENT LIABILITIES
14,026	9,925	11,925	Indebtedness including current portion
3,921	6,768	3,498	Accounts payable
6,465	4,439	4,949	Income taxes
7,137	8,349	6,143	Accrued expenses
61,887	69,603	72,363	WORKING CAPITAL
48,484	48,062	47,331	FACILITIES at depreciated cost
2,415	3,842	3,716	INTANGIBLE ASSETS
2,200	2,438	2,496	INVESTMENTS
(306)	(1,732)	(1,732)	LONG-TERM INDEBTEDNESS—less current portion
114,680	122,213	124,174	SHAREOWNERS' EQUITY
6,711	7,290	7,467	Common shares
(31)	(18)	(176)	Less treasury shares at cost
108,000	114,941	116,883	Reinvested earnings

Supplemental information

16,400 18,500	14,122 22,232	15,383 25,426	
8,107	8,124	8,125	Product unfilled orders at catalog price
2,184	2,299	2,341	Product finished inventory at catalog price
9,477	8,991	8,349	Common shares outstanding
			Buildings (thousand square feet)
			Employees (number)

## To shareholders and employees:

For the second quarter in a row, sales and orders have increased. Net sales, compared to the same quarter a year ago, were up by 10 per cent, to \$36,101,000 from \$32,716,000; orders, 26 per cent, to \$36,667,000 from \$29,025,000.

As the table in this report shows, net earnings before taxes were almost identical in the two quarters. However, because of probable increased repatriation of foreign earnings, which are treated as foreign investments by the Office of Foreign Direct Investment (an interpretation with which we have never agreed), we increased our provision for future income taxes. This brought earnings to \$1,783,000 (22 cents a share), compared to \$1,984,000 (24.5 cents a share) for the period a year ago.

There seems to be no end of things working to depress earnings nowadays; nevertheless our gains in sales and orders are certainly encouraging. Competitively, our broad line of new products has created great enthusiasm among our field engineers. In "head-to-head" competition with other companies' products, we're doing just fine.

In November we announced we would move the Calculator Division, our only outlying US plant, to Beaverton, which will save us money. Some other expenses will remain high, by choice—including those for Engineering and Marketing—to accelerate the development and introduction of our expanding instrument line, continuing a momentum already begun.

These expenses may be a short-term depressant on earnings. For example, some sales efforts are devoted to new rather than maturing markets. The machine-tool industry, as an instance (despite some tax incentives), continues to slumber, affecting our still-young machine-control business.

But there are plusses. Information Display Products is having an excellent year, worldwide, as Tektronix becomes increasingly known as a major supplier of high-quality computer terminals and related products. Sales of television instruments continue to reflect our historical leadership role. And our oscilloscopes are in a competitively formidable position.

Internationally, we see some bright spots. Sales at SONY/Tektronix, Tokyo, are strong,

thanks to a vigorous marketing effort that has seen our product demand in that country increase, even though the total oscilloscope market there is slightly down.

Another plus: designed into each new Tektronix product are lowered manufacturing costs. Thus, as each one replaces an earlier instrument, cost of sales should diminish, benefitting earnings.

As was announced in September, the board of directors made these appointments:

Earl Wantland was named president, succeeding Howard Vollum, who continues as chairman of the board and Tektronix' chief executive officer.

Four group vice-presidents—new positions—were named: Donald Alvey, Marketing; Leslie F. Stevens, Finance and Administrative Services; William Walker, Engineering; and William Polits, Manufacturing.

What will wage and price controls mean? Frankly, we don't know. The slowness of the US economy to respond suggests that it does *not* go up and down at the press of a Presidential button. Nor, as a matter of fact, does the operation of a company. Our efforts to strengthen our technical and marketing base are resulting in increased product demand. We can expect our efforts to reduce costs (without doing so at the expense of people) to bear fruit also.

As to the near future: as we continue our emphasis on productivity and technical vigor, and as the market maintains an apparent recovery trend, we are cautiously optimistic. An overworked phrase, probably, but descriptive. In that assessment, give both words equal weight.

*Howard Vollum*

Chairman of the Board

*Earl Wantland*

President

December 15, 1971

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



TEKTRONIX 1501 time-domain reflectometer is used by KING Videocable, Portland, Oregon, to check for faults in underground cable. The battery-operated 1501 produces an oscilloscope trace and a permanent paper recording, "fingerprinting" a portion of a cable system.

**Tektronix, Inc.**  
**Interim Report**

**November 13, 1971**



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

OPERATION

12 WEEKS ENDED	12 WEEKS ENDED	52 WEEKS ENDED	52 WEEKS ENDED	
Nov. 14 1970	Nov. 13 1971	Nov. 14 1970	Nov. 13 1971	
\$32,716	\$36,101	\$156,064	\$150,728	NET SALES
17,829	19,706	80,097	83,489	MANUFACTURING COST OF SALES
14,887	16,395	75,967	67,239	GROSS PROFIT
11,550	13,137	55,169	52,336	EXPENSES
3,622	4,183	15,453	16,634	Selling
3,350	4,167	15,639	15,878	Engineering
2,686	3,013	12,756	11,802	Administration
351	169	1,159	860	Interest expense
(57)	(70)	(848)	(428)	Interest income
(175)	(37)	(247)	(247)	Non-operating (income) expense
1773	1712	11,010	7,837	Employee profit share
3,337	3,258	20,798	14,903	INCOME BEFORE INCOME TAXES
1,353	1,475	8,418	6,267	PROVISION FOR INCOME TAXES
752	950	5,477	3,834	Federal
125	103	782	507	State
476	422	2,159	1,926	Foreign
1,984	1,783	12,380	8,636	EARNINGS
24.5¢	21.9¢	\$1.53	\$1.06	EARNINGS PER SHARE

Supplemental information

1,222	1,386	5,372	6,050	
29,025	36,667	149,980	154,715	
				Depreciation of facilities (mostly accelerated)
				Orders received

POSITION

Nov. 14 1970	Aug. 21 1971	Nov. 13 1971	
\$95,871	\$98,878	\$100,030	CURRENT ASSETS
7,862	8,474	10,677	Cash including cash earning interest
23,699	26,829	27,310	Accounts receivable — net
15,886	16,658	16,839	Finished inventory
45,844	44,207	42,974	Other inventory
2,580	2,710	2,230	Prepaid expenses
32,451	26,515	25,485	CURRENT LIABILITIES
13,026	11,925	8,922	Indebtedness including current portion
4,110	3,498	3,237	Accounts payable
6,027	4,949	5,046	Income taxes
9,288	6,143	8,280	Accrued expenses
63,420	72,363	74,545	WORKING CAPITAL
48,963	47,331	46,960	FACILITIES at depreciated cost
2,327	3,716	3,575	INTANGIBLE ASSETS
2,281	2,496	2,660	INVESTMENTS
(306)	(1,732)	(1,732)	LONG-TERM INDEBTEDNESS—less current portion
116,685	124,174	126,008	SHAREOWNERS' EQUITY
6,711	7,467	7,482	Common shares
(19)	(176)	(140)	Less treasury shares at cost
109,993	116,883	118,666	Reinvested earnings

Supplemental information

12,200	15,383	15,392	
22,700	25,426	27,021	
8,108	8,125	8,127	Product unfilled orders at catalog price
2,177	2,341	2,420	Product finished inventory at catalog price
9,278	8,349	8,279	Common shares outstanding
			Buildings (thousand square feet)
			Employees (number)

### To shareholders and employees:

As the quarter ended, things were looking better.

In some ways, perhaps, not as much better as the financial figures indicate; but better in other ways, ways a financial summary can not reflect.

Orders and sales went up again. This is the third straight quarter in which they exceeded those of the same period a year before.

Earnings also increased. Even subtracting the portion (called "extraordinary" gain) caused by currency fluctuations, earnings were up from the same quarter last year.

And there's growing optimism throughout the economy and the industry. Optimism, although unmeasurable, is still a real factor in an economic recovery—just as pessimism, feeding on itself, tended to draw out the recent recession when it logically should have ended. Optimism may have the same regenerative effect, only with positive results.

Net sales, compared to the same quarter a year ago, were up by 14 per cent, to \$49,122,000 from \$43,097,000. Orders increased by 20 per cent, to \$50,981,000 from \$42,635,000. The growth reflected stronger markets and good acceptance of new Tektronix products.

In the quarter, Tektronix reinforced its lead in the high-frequency area, traditionally a measure of leadership in oscilloscopy. To our 500-MHz 7904, we have now added the 350-MHz 485, and so we now run one-two in the so-called "horsepower" race. Moreover, the 485 is a portable, combining exceptional performance with smallness and light weight. It's two inches shorter, and (at 20½ pounds) about 29 per cent lighter, than portables with significantly less performance.

At the other end of the bandwidth spectrum, the tiny 150-KHz 211 mini-scope, offering laboratory performance in a three-pound package, has moved into delivery position. Orders for it are brisk.

Sales continue healthy for our main line of general-purpose oscilloscopes, the 7000 series. And, in two other areas, sales growth is exceptional: In television instruments, a field we've always led, and in information-display products, a relatively new endeavor for us. This quarter we introduced the 149 generator, which, in one

package, provides all the test signals necessary for remote operation of television transmitters. Strong sales of the 4010 and 4002 terminals, offering low-cost graphic and alphanumeric capability, and their companion hard-copy units continue to spearhead rapid growth of our information-display-product business.

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In recognition of our large and growing overseas business, Tektronix board of directors has named Frank Doyle, European Operations manager, to a new vice-presidency. Frank, 44, began work with us in August 1961 and has held various positions abroad, mostly in Marketing. For two years (1966-1968), Frank worked in Beaverton as Assistant International Marketing manager. He continues as Operations manager in Europe, his responsibility since 1970.

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Even in a time of optimism, all is not rosy.

For one thing, increasing obstacles are being placed in the way of doing business overseas. In addition to pressure for repatriation of foreign earnings (in anticipation of which we will continue to set aside a larger provision for future taxes), we hear sounds in the national political arena about making it less profitable for US companies to conduct business abroad. The idea that multinational companies work against national economic interests has time and time again been discredited; yet, in a political year, such companies seem likely targets for "tax reform," and a political year has seldom been known to stimulate logical thinking.

This quarter, 10 of our 12 cents of increase were extraordinary gain resulting from currency fluctuations. Although President Nixon's August 15 announcement caused immediate instability in world money markets, much of the actual dollar devaluation occurred in the past quarter. Most of our overseas subsidiaries' monetary assets (cash, accounts receivable and any other liquid assets) are now worth more in US dollars.

Even though it has increased our earnings, we do not in any sense view as "good" the weakening of the dollar, connoting as it does lagging US productivity and continuing inflation. The kind of earnings increases that should hearten the shareholder—and will gratify us—are those that result

from strong growth in sales and orders and lowered costs of production and expense levels.

It is to those ends that Tektronix' efforts will continue to be directed.

*Howard Vollum*

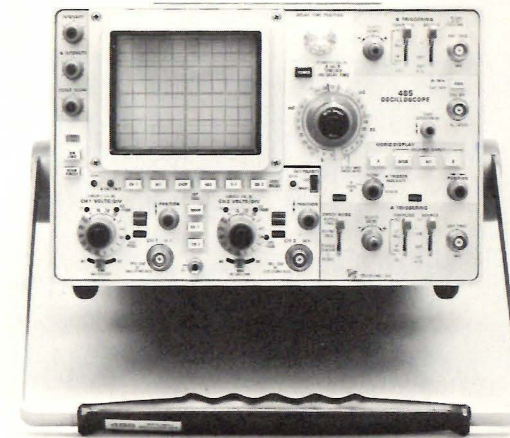
Chairman of the Board

*Earl Wiantland*

President

April 20, 1972

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



*WORLD'S FASTEST portable oscilloscope, the newly introduced Tektronix 485, is smaller and lighter-weight than other portables with much less capability. It offers a 350-MHz bandwidth at 5 mv/division sensitivity.*

## ***Tektronix, Inc.*** ***Interim Report***

## ***March 4, 1972***



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

OPERATION

16 WEEKS ENDED	16 WEEKS ENDED	52 WEEKS ENDED	52 WEEKS ENDED	
Mar. 6 1971	Mar. 4 1972	Mar. 6 1971	Mar. 4 1972	
\$43,097	\$49,122	\$149,867	\$156,752	NET SALES
24,143	26,101	77,830	85,446	MANUFACTURING COST OF SALES
18,954	23,021	72,037	71,306	GROSS PROFIT
14,329	17,673	52,762	55,680	EXPENSES
4,625	5,819	15,615	17,828	Selling
4,134	5,493	14,872	17,237	Engineering
3,096	4,116	11,743	12,822	Administration
314	214	1,232	759	Interest Expense
(118)	(181)	(920)	(490)	Interest Income
(159)	(590)	(677)	(677)	Non-operating (income) expense
2,437	2,802	10,220	8,201	Employee profit share
4,625	5,348	19,275	15,626	INCOME BEFORE INCOME TAXES
1,963	2,500	8,127	6,805	PROVISION FOR INCOME TAXES
1,079	1,716	5,214	4,472	Federal
183	145	832	469	State
701	639	2,081	1,864	Foreign
2,622	2,848	11,148	8,821	INCOME BEFORE EXTRAORDINARY ITEM
—	835	—	835	EXTRAORDINARY ITEM—NET (Note)
2,662	3,683	11,148	9,656	EARNINGS
33¢	45¢	\$1.38	\$1.19	EARNINGS PER SHARE
	35		1.09	Ordinary
	10		10	Extraordinary

(Note) The extraordinary item is net gain thru December, 1971 on translation of foreign currencies net of employee profit share thereon offset by income tax on that profit share.

Supplemental information

16 WEEKS ENDED	16 WEEKS ENDED	52 WEEKS ENDED	52 WEEKS ENDED	
Mar. 6 1971	Mar. 4 1972	Mar. 6 1971	Mar. 4 1972	
1,748	2,003	5,598	6,304	Depreciation of facilities mostly accelerated)
42,635	50,981	144,662	163,061	Orders received

POSITION

Mar. 6 1971	Nov. 13 1971	Mar. 4 1972	
\$ 95,400	\$100,030	\$104,506	CURRENT ASSETS
7,554	10,677	18,088	Cash including cash earning interest
24,308	27,310	28,637	Accounts receivable—net
15,769	16,839	16,268	Finished inventory
45,072	42,974	38,875	Other inventory
2,697	2,230	2,638	Prepaid expenses
28,969	25,485	25,721	CURRENT LIABILITIES
12,826	8,922	8,911	Indebtedness including current portion
3,835	3,237	3,582	Accounts payable
4,724	5,046	5,055	Income taxes
7,584	8,280	8,173	Accrued expenses
66,431	74,545	78,785	WORKING CAPITAL
48,365	46,960	46,611	FACILITIES at depreciated cost
2,395	3,575	3,342	INTANGIBLE ASSETS
2,432	2,660	2,706	INVESTMENTS
(280)	(1,732)	(1,703)	LONG-TERM INDEBTEDNESS—less current portion
119,343	126,008	129,741	SHAREOWNERS' EQUITY
6,718	7,482	7,482	Common shares
(46)	(140)	(90)	Less treasury shares at cost
112,671	118,666	122,349	Reinvested earnings

Supplemental information

Mar. 6 1971	Nov. 13 1971	Mar. 4 1972	
11,500	15,392	17,445	Product unfilled orders at catalog price
22,200	27,021	25,111	Product finished inventory at catalog price
8,107	8,127	8,128	Common shares outstanding
2,192	2,420	2,392	Buildings (thousand square feet)
9,052	8,279	8,127	Employees (number)