

TO SHAREHOLDERS AND EMPLOYEES:

Our comments here will be brief, letting the financial figures tell most of the story of our first fiscal quarter. They need little embellishment.

Earnings were up over 72 per cent from the same period a year ago. It's about time; for the ingredients that made this quarter successful didn't materialize suddenly. It's taken time to develop customer awareness of our new products. Then, too, the U.S. economy, far past the time experts called the recession over, had remained recalcitrant.

But this quarter corroborates what last year's results strongly hinted: That, as dollars become available, customers respond to the values offered by Tektronix products.

Our increased business is partly due to the U.S. economic improvement; but our reduced manufacturing costs are strictly an internal achievement—and a particularly satisfying one.

It's a long and tough fight, this battle against costs, in a time of rising prices for materials, supplies and services. When you add to that our continuing input of many new products, turning costs downward is real *efficiency*—perhaps a cold word, but one that sums up the personal accomplishments of many Tek individuals, who have come up with new ways of doing a good job better and at less costs. It's hard to find the "right" time and place to say so, but both of us are immensely proud of them all.

At our annual WESCON booth in Los Angeles in September, most of the instruments shown were making their debut. For the most part already described in your annual report, they ranged from Tektronix oscilloscopes, plug-ins, information-display products and modular instruments to our lower-priced Telequipment line. Excellent viewer response promises strong customer demand.

The annual meeting September 16 saw Tektronix shareholders endorse three matters:

Five-year renewal of our employee share-purchase plan; reappointment of Haskins & Sells as auditors, and re-election of seven directors: James Castles, Paul Boley, Robert Fitzgerald, Frank Warren, Walter Dyke and ourselves.

The day before, in light of Tektronix' business health and foreseeable continued financial strength, the board broke with tradition and issued our first dividend, 10 cents per common share to shareholders of record as of September 29. We'll review the dividend policy about twice a year.

Looking forward, Tek admittedly has limited ability to affect its environment; yet that ability is by no means negligible. For one thing, we've long since proved we can create markets through state-of-the-art product advances; secondly, we are enmeshed in no direct government R & D or production contracts, and are thus free from nervousness that often accompanies such reliance; third, we have an exceptionally flexible organization, one not locked into rigid ways of operating, thus one very responsive to changing markets and technologies.

Whatever parts of the economic environment we *can* influence, we will. In any case, we're mounting a lean, disciplined, aggressive operation, designed to make the most of our growing strengths. The environment in the months ahead looks healthy, and we expect once again to do a bit better than the world about us.

Howard Vollum

Chairman of the Board

Earl Wautland

President

October 1, 1972

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



COMPACT HIGH PERFORMANCE and light weight allow the new 465 portable oscilloscope to be used easily in close quarters, such as for electronic maintenance work in an airplane cockpit.



TEKTRONIX, INC.
INTERIM REPORT
AUGUST 19, 1972

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

OPERATION

12 WEEKS ENDED	12 WEEKS ENDED	52 WEEKS ENDED	52 WEEKS ENDED	
Aug. 21 1971	Aug. 19 1972	Aug. 21 1971	Aug. 19 1972	
\$35,299	\$40,013	\$147,342	\$168,981	NET SALES
19,733	20,059	81,612	85,300	MANUFACTURING COST OF SALES
15,566	19,954	65,730	83,681	GROSS PROFIT
12,239	13,861	50,748	61,322	EXPENSES
3,863	4,656	16,073	19,657	Selling
4,004	3,653	15,061	17,590	Engineering
2,759	2,952	11,476	13,778	Administration
173	127	1,042	647	Interest Expense
(183)	(254)	(415)	(668)	Interest Income
(120)	(468)	(386)	(1,424)	Non-operating (income) expense
1,743	3,195	7,897	11,742	Employee profit share
3,327	6,093	14,982	22,359	INCOME BEFORE INCOME TAXES
1,391	2,750	6,145	10,139	PROVISION FOR INCOME TAXES
819	1,872	3,636	7,090	Federal
100	214	529	733	State
472	664	1,980	2,316	Foreign
1,936	3,343	8,837	12,220	INCOME BEFORE EXTRAORDINARY ITEM
—	—	—	405	EXTRAORDINARY ITEM—NET
1,936	3,343	8,837	12,625	EARNINGS
24¢	41¢	\$1.09	\$1.55*	EARNINGS PER SHARE

*Includes 5¢ Extraordinary

Supplemental information

12 WEEKS ENDED	12 WEEKS ENDED	52 WEEKS ENDED	52 WEEKS ENDED	
Aug. 21 1971	Aug. 19 1972	Aug. 21 1971	Aug. 19 1972	
1,347	1,481	5,885	6,432	Depreciation of facilities (mostly accelerated)
36,497	47,507	147,072	180,960	Orders received

POSITION

Aug. 21 1971	May 27 1972	Aug. 19 1972	
\$98,878	\$116,914	\$116,117	CURRENT ASSETS
8,474	26,800	27,771	Cash including cash earning interest
26,829	32,063	31,630	Accounts receivable — net
16,658	14,622	13,432	Finished inventory
44,207	40,744	41,126	Other inventory
2,710	2,685	2,158	Prepaid expenses
26,515	33,205	27,714	CURRENT LIABILITIES
11,925	8,744	8,725	Indebtedness including current portion
3,498	6,148	3,595	Accounts payable
4,949	6,076	7,564	Income taxes
6,143	12,237	7,830	Accrued expenses
72,363	83,709	88,403	WORKING CAPITAL
47,331	46,071	45,133	FACILITIES at depreciated cost
3,716	2,808	2,682	INTANGIBLE ASSETS
2,496	2,860	2,947	INVESTMENTS
(1,732)	(1,071)	(1,071)	LONG-TERM INDEBTEDNESS—less current portion
—	(515)	—	RESERVE FOR CURRENCY VALUATION
124,174	133,862	138,094	SHAREOWNERS' EQUITY
7,467	7,756	8,614	Common shares
(176)	(55)	(24)	Less treasury shares at cost
116,883	126,161	129,504	Reinvested earnings

Supplemental information

Aug. 21 1971	May 27 1972	Aug. 19 1972	
15,383	20,076	28,072	Product unfilled orders at catalog price
25,426	18,103	16,351	Product finished inventory at catalog price
8,125	8,136	8,157	Common shares outstanding
2,341	2,399	2,445	Buildings (thousand square feet)
8,349	8,234	8,664	Employees (number)

TO SHAREHOLDERS AND EMPLOYEES:

With the overall economy improving, and that of the electronics industry, our orders continue strong, resulting in the highest backlog in our history. Sales also remain on the upswing.

Earnings increased in the recently completed quarter, up about 71 per cent from those of a year ago. (And they would have been over 2 cents higher but for changes in the value of the pound sterling.)

Year to date, our performance compares excellently with that of a year ago; and we expect to keep doing well. But the same dramatic contrast will be hard to maintain during the rest of the year, since we'll be "competing" against last year's strong second half.

Productivity continues to rise. So far this year, manufacturing cost of sales is 48 per cent, down from 55 per cent a year ago. What's more, this reduction is occurring at a time of heavy new-product introduction, which typically works against efficiency.

Order backlog is over \$32 million—although we haven't decided whether that's good news or bad news. A sizeable portion of those orders is for new products, which haven't yet contributed significantly to sales; that bodes well for the future.

High demand is being recorded across the board; almost all our recent products share this good customer acceptance.

Some of our current order rate may represent pent-up buying power just being released. On the other hand, there's probably still some caution in buying, traceable to the austerity years still fresh in the memory of most customers.

We believe the demand reflects not only the rebounding economy, but also the impact of our new instruments, and increased penetration of markets. Our international order rate is above forecast.

Tektronix' increased business activity brings with it a new set of problems—the "good" kind, maybe, but problems nevertheless. Broad new-product introduction coupled with an accelerating order rate means some expectable difficulties. One is shortages of parts and materials, which retard product output. Another is the extra time that must be spent shepherding the new instruments

through their first production runs, to guard against any "bugs". Needless to say, close attention paid now will pay off in smooth volume production in the future.

With these problems, and with last year's strongest sales periods to measure against, we admittedly have our work cut out for us. But the orders are certainly there.

Looking farther ahead is the recently established Tek Labs. This new organization combines, under dynamic, product-oriented leadership, most of our new-component, new-process and new-technology programs. This new effort may well become one of the most important long-term Tektronix activities.

While the rest of us address ourselves to the challenge of "running the store," Tek Labs looks to tomorrow, to make sure that the store is stocked with newer, better products, such as have built, and continue to enhance, the reputation of your company.

As you enter the new year, we hope your own prospects also include stimulating challenge and potential reward, such as we look toward at Tektronix.

Howard Vollum

Chairman of the Board

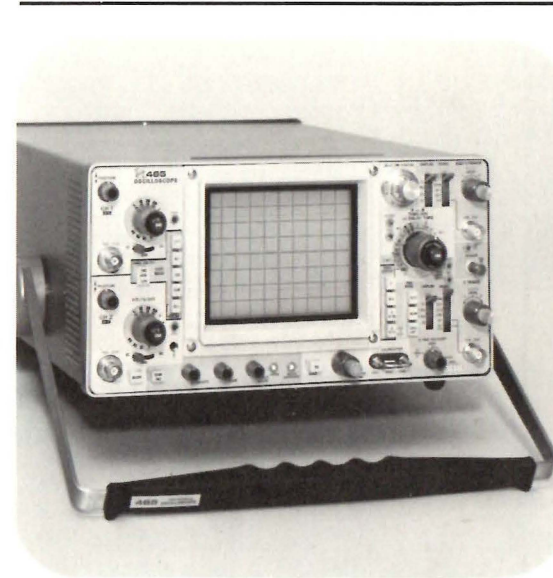
Earl Wantland

President

December 11, 1972

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

NOTE: The results contained in this report are the same as those in our Form 10-Q report filed December 1972 with the Securities and Exchange Commission.



RECENTLY INTRODUCED Tektronix products are receiving strong customer response. They include the 465, a 100MHz portable oscilloscope, which supersedes the widely used Tektronix 453A. Compared to that instrument, the 465 has a 25 per cent larger cathode-ray tube, substantially increased bandwidth and twice the sweep speed; is shorter, thinner and lighter—and costs considerably less.



TEKTRONIX, INC.

INTERIM REPORT

NOVEMBER 11, 1972

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

OPERATION

12 WEEKS ENDED	12 WEEKS ENDED	24 WEEKS ENDED	24 WEEKS ENDED	52 WEEKS ENDED	52 WEEKS ENDED	
Nov. 13 1971	Nov. 11 1972	Nov. 13 1971	Nov. 11 1972	Nov. 13 1971	Nov. 11 1972	
\$36,101	\$42,205	\$71,400	\$82,218	\$150,728	\$175,085	NET SALES
19,706	20,345	39,439	40,404	83,489	85,939	MANUFACTURING COST OF SALES
16,395	21,860	31,961	41,814	67,239	89,146	GROSS PROFIT
13,137	16,318	25,376	30,179	52,336	64,503	EXPENSES
4,183	5,707	8,046	10,363	16,634	21,181	Selling
4,167	3,939	8,171	7,592	15,878	17,363	Engineering
3,013	3,366	5,772	6,318	11,802	14,131	Administration
169	136	342	263	860	614	Interest Expense
(70)	(181)	(253)	(435)	(428)	(779)	Interest Income
(37)	422	(157)	(46)	(247)	(965)	Non-operating (income) expense
1,712	2,929	3,455	6,124	7,837	12,958	Employee profit share
3,258	5,542	6,585	11,635	14,903	24,643	INCOME BEFORE INCOME TAXES
1,475	2,490	2,866	5,240	6,267	11,154	PROVISION FOR INCOME TAXES
950	1,710	1,769	3,582	3,834	7,849	Federal
103	186	203	400	507	817	State
422	594	894	1,258	1,926	2,488	Foreign
1,783	3,052	3,719	6,395	8,636	13,489	INCOME BEFORE EXTRAORDINARY ITEM
—	—	—	—	—	405	EXTRAORDINARY ITEM—NET
1,783	3,052	3,719	6,395	8,636	13,894	EARNINGS
21.9¢	37.4¢	45.8¢	78.4¢	\$1.06	\$1.71*	EARNINGS PER SHARE

*Includes 5¢ Extraordinary

POSITION

Nov. 13 1971	Aug. 19 1972	Nov. 11 1972	
\$100,030	\$116,117	\$124,131	CURRENT ASSETS
10,677	27,771	32,230	Cash including cash earning interest
27,310	31,630	32,023	Accounts receivable — net
16,839	13,432	13,353	Finished inventory
42,974	41,126	44,366	Other inventory
2,230	2,158	2,159	Prepaid expenses
25,485	27,714	32,751	CURRENT LIABILITIES
8,922	8,725	8,720	Indebtedness including current portion
3,237	3,595	4,644	Accounts payable
5,046	7,564	8,170	Income taxes
8,280	7,830	11,217	Accrued expenses
74,545	88,403	91,380	WORKING CAPITAL
46,960	45,133	44,730	FACILITIES at depreciated cost
3,575	2,682	2,567	INTANGIBLE ASSETS
2,660	2,947	2,905	INVESTMENTS
(1,732)	(1,071)	(1,071)	LONG-TERM INDEBTEDNESS—less current portion
126,008	138,094	140,511	SHAREOWNERS' EQUITY
7,482	8,614	8,875	Common shares
(140)	(24)	(103)	Less treasury shares at cost
118,666	129,504	131,739	Reinvested earnings

Supplemental information

1,386	1,525	2,733	3,006	6,050	6,571	
36,667	46,819	73,164	94,326	154,715	191,111	Depreciation of facilities (mostly accelerated)
						Orders received

15,392	28,072	32,692	
27,021	16,351	16,059	Product unfilled orders at catalog price
8,127	8,157	8,162	Product finished inventory at catalog price
2,420	2,445	2,464	Common shares outstanding
8,279	8,664	9,172	Buildings (thousand square feet)
			Employees (number)