

To shareholders and employees:

The first quarter went much like the fiscal year just before it: Strong orders and sales—whose effect on profits was tempered by the continued upward ratcheting of inflation, world-wide, with its effect on expense levels.

Sales for the quarter were \$72,840,000, up 30.4 per cent from the same period a year ago; orders were \$82,113,000, an increase of 31.7 per cent, and earnings \$5,752,000, an 11.5 per cent gain.

Productivity continues to gradually improve. We need a great deal more of that; our high backlog continued to creep even higher, and now stands at \$81.2 million.

In today's disheartening economic context, we count on more productivity gains to offset much of the inflationary pressure—pressure that has recently caused us to announce price increases averaging about 6 per cent.

Our construction program continues to move right along. At Beaverton, the 200,000-square-foot general-purpose building and the 80,000-square-foot addition to our Metals building will both be occupied just after the first of the year. At our Wilsonville site, building construction and grounds preparation are on schedule, with completion set for June.

* * *

At our annual meeting September 21, shareholders heard company officers review the past year's results; re-elected all directors: Paul Boley, John Gray, Louis Perry, James Castles, Frank Warren and the two of us; and voted to retain Haskins & Sells as auditors.

* * *

At the September 26 board meeting, the directors approved a recommendation by Howard

Vollum to transfer his responsibilities as chief executive officer to President Earl Wantland, 43. The action, which makes Earl fully responsible for overall company operation, is a recognition of capabilities already demonstrated.

Howard, 61, will continue as board chairman as well as a strong and active influence on the formation of Tektronix policy.

At the meeting, the board also again approved a 10-cent dividend per share of common stock.

* * *

In view of today's international economic climate, it was encouraging to find much optimism evident at the WESCON electronics show held in Los Angeles in September. Tek's display, judged "most effective booth over 60 feet," was well attended and our products attracted much visitor comment. Show attendance was high, and the mood strongly positive, attesting to the vitality of the electronics industry.

Howard Vollum
Chairman of the Board

Earl Wantland
President

October 3, 1974

TEKTRONIX, INC.
P.O. Box 500
BEAVERTON, Oregon 97077



OPTIMISM PREVAILED at the 1974 WESCON show held in Los Angeles in September, attended by a crowd of nearly 29,000. Tektronix' display (not visible in photo) won first-place trophy for booths of 60 feet or more. Customer activity was heavier than last year.

TEKTRONIX, INC.

INTERIM REPORT

AUGUST 24, 1974



Tektronix, Inc. Consolidated with Subsidiaries Unaudited Financial Statements (Thousands)

1973 Figures Restated to Include Grass Valley Group, Inc.

OPERATION				POSITION				
12 WEEKS ENDED Aug. 18 1973	13 WEEKS ENDED Aug. 24 1974	52 WEEKS ENDED Aug. 18 1973	53 WEEKS ENDED Aug. 24 1974		Aug. 18 1973	May 25 1974	Aug. 24 1974	
\$55,849	\$72,840	\$217,934	\$288,419	NET SALES	\$145,431	\$176,405	\$174,277	CURRENT ASSETS
27,343	34,670	107,161	140,389	MANUFACTURING COST OF SALES	20,738	18,673	9,801	Cash including cash earning interest
28,506	38,170	110,773	148,030	GROSS PROFIT	43,926	55,230	58,464	Accounts receivable — net
19,121	27,902	77,218	108,651	EXPENSES	16,100	21,147	22,914	Finished inventory
6,678	10,449	27,452	40,594	Selling	61,355	76,083	77,540	Other inventory
4,402	6,320	18,959	24,491	Engineering	3,312	5,272	5,558	Prepaid expenses
4,011	5,944	16,294	23,800	Administration	36,273	68,484	67,790	CURRENT LIABILITIES
4,564	4,717	16,243	18,859	Employee profit share	8,742	23,336	36,849	Indebtedness including current portion
(534)	472	(1,730)	907	Non-operating (income) expense	6,072	16,706	7,433	Accounts payable
9,385	10,268	33,555	39,379	INCOME BEFORE INCOME TAXES	8,756	8,246	9,294	Income taxes
4,229	4,516	15,149	17,431	PROVISION FOR INCOME TAXES	12,703	20,196	14,214	Accrued expenses
2,938	2,797	10,823	11,459	Federal	109,158	107,921	106,487	WORKING CAPITAL
326	380	1,119	1,454	State	47,172	61,355	66,628	FACILITIES at depreciated cost
965	1,339	3,207	4,518	Foreign	2,114	1,685	1,576	INTANGIBLE ASSETS
5,156	5,752	18,406	21,948	EARNINGS	7,303	11,616	14,609	INVESTMENTS
60¢	66¢	\$2.13	\$2.54	EARNINGS PER SHARE	(935)	(637)	(635)	LONG-TERM INDEBTEDNESS—less current portion
		20¢	20¢	DIVIDENDS PER SHARE	(4,165)	(6,452)	(7,019)	DEFERRED INCOME TAXES
					160,647	175,488	181,646	SHAREOWNERS' EQUITY
					12,082	12,213	12,523	Common shares
					(986)	(691)	(595)	Less treasury shares at cost
					149,551	163,966	169,718	Reinvested earnings
Supplemental information					Supplemental information			
1,559	1,858	6,905	7,975	Depreciation of facilities (mostly accelerated)	59,297	73,970	81,199	Product unfilled orders at catalog price
62,325	82,113	246,199	317,043	Orders received	18,355	21,840	23,445	Product finished inventory at catalog price
					8,641	8,651	8,665	Common shares outstanding
					2,614	2,940	3,059	Buildings (thousand square feet)
					11,565	12,693	13,536	Employees (number)

To shareholders and employees:

Tektronix business has held up well despite the general worsening of the US economy.

Orders for the quarter are up a substantial 25 per cent from the same period a year ago. Backlog, gradually being worked off, is believed to be solid. The quarter's sales increased by 22.5 per cent. Foreign markets, although mixed, are surprisingly strong.

However, due mostly to the influence of inflation, our costs and expenses increased faster than sales; non-operating expenses—largely interest costs—made particular gains, slowing our growth of earnings. A modest price increase—averaging about 6 per cent—made on our products a quarter ago hasn't yet had time to reflect in sales figures, largely because of our large backlog of products ordered at earlier prices.

* * *

Needless to say, we're concerned over the direction of the economy, and by the fact that even the most "optimistic" economic predictions are pessimistic. Uncertainty seems to permeate all forecasts, so we'll just have to adjust to the future day by day.

* * *

While the Trade Reform Act, recently signed into law by President Ford, was being debated in the US Legislature, Tektronix, long a strong advocate of free international competition, added its voice to those asking the bill's passage. With 40 per cent of our business done overseas, we consider an unhampered world trading atmosphere very important.

* * *

A significant employee benefit was announced in December, a much-needed pension plan for US employees. (Those in overseas subsidiaries have been covered by pension plans for some time.) The company-supported program, which will cost \$4 to \$5 million the first calendar year, will complement our Retirement Trust fund and

employees' social security, and, we hope, allow our people to look forward to retirement without undue financial worry.

* * *

As the holiday season brings the calendar year to an end, we pause and are thankful for our blessings. In a shuddering economy that has worked havoc on many another business, we at Tektronix remain busy and strong; our new-product programs vigorous; in the forefront as a supplier of technical tools to an increasingly pervasive and important world industry.

* * *

May the coming year, whatever its pressures and tensions, bring you also your full share of personal joy and prosperity.

Howard Vollum

Chairman of the board

Earl Wautland

President

December 20, 1974

TEKTRONIX, INC.
P.O. Box 500
BEAVERTON, Oregon 97077



TEKTRONIX' CONTRIBUTION to United Good Neighbors campaign was spotlighted at the UGN victory luncheon in October. Employee gifts, despite the economic recession, were a full 25 per cent above those of the year before. Employee and corporate giving totaled \$538,013, or 5 per cent of the four-county drive. Pictured with William C. Hunt (second from left), campaign chairman, are, from left: Tom Williams, Tektronix coordinator; Ara Walbaum, representing Tektronix employees, and Larry Mayhew, Tektronix UGN chairman.

TEKTRONIX, INC.

**INTERIM REPORT
NOVEMBER 16, 1974**



Tektronix, Inc. Consolidated with Subsidiaries Unaudited Financial Statements (Thousands)

1973 Figures Restated to Include Grass Valley Group, Inc.

INCOME

12 WEEKS ENDED Nov. 10 1973	12 WEEKS ENDED Nov. 16 1974	24 WEEKS ENDED Nov. 10 1973	25 WEEKS ENDED Nov. 16 1974	52 WEEKS ENDED Nov. 10 1973	53 WEEKS ENDED Nov. 16 1974	
\$62,969	\$77,153	\$118,818	\$149,993	\$237,282	\$302,603	NET SALES
30,263	37,058	57,606	71,728	116,606	147,185	MANUFACTURING COST OF SALES
32,706	40,095	61,212	78,265	120,676	155,418	GROSS PROFIT
22,943	29,577	42,064	57,480	83,647	115,284	EXPENSES
8,213	10,991	14,891	21,440	29,852	43,372	Selling
5,164	6,540	9,565	12,860	20,135	25,868	Engineering
4,803	6,033	8,815	11,977	17,822	25,029	Administration
4,870	5,081	9,434	9,798	18,185	19,069	Employee profit share
193	1,243	344	2,159	750	3,037	Interest expense
(300)	(311)	(985)	(754)	(3,097)	(1,091)	Other non-operating (income) expense
9,763	10,518	19,148	20,785	37,029	40,134	INCOME BEFORE INCOME TAXES
4,447	4,815	8,676	9,331	16,736	17,799	PROVISION FOR INCOME TAXES
2,922	2,797	5,860	5,594	11,685	11,334	Federal
345	352	670	732	1,259	1,461	State
1,180	1,666	2,146	3,005	3,792	5,004	Foreign
5,316	5,703	10,472	11,454	20,293	22,335	EARNINGS
61¢	66¢	\$1.21	\$1.32	\$2.36	\$2.58	EARNINGS PER SHARE

Supplemental information

10¢	10¢	10¢	10¢	20¢	20¢	
61,348	76,834	123,673	158,947	259,489	332,529	Dividends per share Orders received

CHANGES IN FINANCIAL POSITION

7,542	8,455	15,140	17,239	32,371	34,804	
5,316	5,703	10,472	11,454	20,293	22,335	WORKING CAPITAL PROVIDED FROM:
1,640	2,017	3,199	3,875	6,998	8,352	Earnings
(193)	(293)	(443)	(365)	(1,051)	(973)	Depreciation of facilities
294	641	1,093	1,208	3,062	3,200	Earnings 50% owned companies
485	387	819	1,067	3,069	1,890	Deferred income taxes
						Other
7,165	9,600	9,994	19,818	19,797	38,997	WORKING CAPITAL USED FOR:
3,794	8,694	6,529	16,011	11,166	33,120	Additions to facilities
916	867	916	867	1,905	1,731	Payment of dividends
2,455	39	2,351	2,940	5,789	3,996	Investments
—	—	198	—	937	150	Other
377	(1,145)	5,146	(2,579)	12,574	(4,193)	RESULTING INCREASE IN WORKING CAPITAL

FINANCIAL POSITION

Nov. 10 1973	Aug. 24 1974	Nov. 16 1974	
\$154,823	\$174,277	\$182,700	CURRENT ASSETS
21,061	9,801	7,407	Cash including cash earning interest
48,724	58,464	63,132	Accounts receivable—net
17,808	22,914	25,499	Finished inventory
63,737	77,540	80,848	Other inventory
3,493	5,558	5,814	Prepaid expenses
45,288	67,790	77,358	CURRENT LIABILITIES
10,742	36,849	44,468	Indebtedness including current portion
7,699	7,433	7,679	Accounts payable
9,413	9,294	6,937	Income taxes
17,434	14,214	18,274	Accrued expenses
109,535	106,487	105,342	WORKING CAPITAL
49,183	66,628	73,118	FACILITIES at depreciated cost
1,992	1,576	1,596	INTANGIBLE ASSETS
9,951	14,609	14,920	INVESTMENTS
(935)	(635)	(786)	LONG-TERM INDEBTEDNESS—less current portion
(4,459)	(7,019)	(7,659)	DEFERRED INCOME TAXES
165,267	181,646	186,531	SHAREOWNERS' EQUITY
12,158	12,523	12,523	Common shares
(841)	(595)	(545)	Less treasury shares at cost
153,950	169,718	174,553	Reinvested earnings

Supplemental information

58,361	81,199	78,328	
20,095	23,445	26,061	Product unfilled orders at catalog price
8,646	8,665	8,667	Product finished inventory at catalog price
2,712	3,059	3,032	Common shares outstanding
11,800	13,536	13,423	Buildings (thousand square feet)
			Employees (number)

To shareholders and employees:

Increases of 58 per cent in earnings and 30 per cent in sales, both to new highs for Tektronix, spelled an excellent fiscal quarter, which ended March 8.

We're pleased, overall, with the improved performance the figures reflect. The earnings increase is attributable partly to sales growth, partly to gain on fluctuation of foreign currency values, but even more to higher productivity, as shown in improved manufacturing costs, and to price increases approved several months ago.

The performance was particularly gratifying, made as it was in the face of new and rising expenditures. These included the first funding of our new pension plan (to cost an estimated \$4 to \$5 million annually); our decision to switch to LIFO inventory valuation, which decreases on-the-books income; continuing upward pressure on pay and material costs; and higher interest expense, resulting from increased borrowing at high rates to finance new-building construction and equipment.

In the past few years, fluctuating values of the US dollar with respect to foreign currencies have had an unpredictable and sometimes substantial effect on reported earnings. The effect is reflected not only in translation and exchange gains and losses, but also in distorted price, cost and expense relationships. When the value of the dollar was decreasing with respect to other currencies, the effect was to increase reported earnings. If the dollar strengthens, the effect will be to decrease reported earnings.

Due to increased product output, partly from improved productivity, recent sales have exceeded the order rate, which has shifted from flat for several months to slightly down. Anticipating little improvement in orders for the next few months, we announced in March our plans for three shutdown periods in the summer. Each is scheduled to allow an extension of existing holidays.

The three periods—should all of them be needed—will account for 14 non-work days.

We made and announced the decision early, to allow our people maximum chance to plan. You may be interested in a copy of the employee newsletter about the shutdowns; if you are, please write us.

* * *

Our product line, with its recent additions, continues attractive. We fully expect orders to resume their growth trend within several months. To finance the accompanying expansion, Tektronix has entered into a revolving credit agreement, under which a US bank is committed to lend us up to \$25 million. At the company's option, borrowings may be repaid in installments, the last one due April 25, 1982. Because of the agreement, we are reporting \$13.5 million bank debt as of March 8 as long-term indebtedness.

Proceeds of nearly \$10 million from sale during the quarter of an investment in Export-Import Bank notes were used to reduce our bank debt.

In March, effective for fiscal 1975, Tektronix changed its method of valuing domestic inventories from first-in, first-out to last-in, first-out. The latter more closely matches current costs with current revenue, eliminating inventory "profit."

Had this change not been made, earnings would have been higher by \$602,000 (7 cents per share) and \$1.565 million (18 cents per share) for the 16-week and 41-week periods ended March 8, respectively.

The effect of the change on the 13-week first fiscal quarter was to decrease earnings by \$442,000 (5 cents per share) to \$5.31 million (61 cents per share). For the 12-week second fiscal quarter, earnings were reduced by \$521,000 (6 cents per share) to \$5.182 million (61 cents per share).

* * *

With possible signs of economic "bottoming

out" visible at least to the optimists in the crowd, Tektronix looks forward to resumed growth, such as has kept us busy during the past year of US recession. It's because of these positive expectations that we chose shared shutdown periods over other ways of maintaining profit levels. We intend thus to retain our productive strength; once the US economy turns around, we're confident we'll need it all.

Howard Vollum

Chairman of the Board

Earl Wautland

President

April 7, 1975

TEKTRONIX, INC.
P.O. Box 500
BEAVERTON, Oregon 97077

TEKTRONIX BOARD chairman, Howard Vollum (right), accepts the 1975 Human Relations award from Oregon region, National Conference of Christians and Jews. Presenting the award is Bob McMenamain, Oregon chairman. Two weeks earlier, Howard received a similar honor, the annual Brotherhood award from the Oregon chapter, B'nai B'rith.



TEKTRONIX, INC.

**INTERIM REPORT
MARCH 8, 1975**



Tektronix, Inc. Consolidated with Subsidiaries Unaudited Financial Statements (Thousands)

1975 Fiscal Year Figures Reflect Change From FIFO to LIFO Method of Inventory Accounting

INCOME

16 WEEKS ENDED Mar. 2 1974	16 WEEKS ENDED Mar. 8 1975	40 WEEKS ENDED Mar. 2 1974	41 WEEKS ENDED Mar. 8 1975	52 WEEKS ENDED Mar. 2 1974	53 WEEKS ENDED Mar. 8 1975	
\$80,435	\$104,610	\$199,252	\$254,603	\$257,008	\$326,779	NET SALES
39,381	47,979	96,986	122,382	126,181	158,458	MANUFACTURING COST OF SALES
41,054	56,631	102,266	132,221	130,827	168,321	GROSS PROFIT
30,678	40,814	72,742	97,357	92,437	124,484	EXPENSES
11,337	14,989	26,233	36,429	33,334	47,024	Selling
6,891	8,627	16,456	21,488	21,454	27,605	Engineering
6,535	8,172	15,350	20,149	20,437	26,666	Administration
4,829	7,656	14,263	16,516	18,564	20,959	Employee profit share
375	1,751	719	3,910	897	4,413	Interest expense
711	(381)	(279)	(1,135)	(2,249)	(2,183)	Other non-operating (income) expense
10,376	15,817	29,524	34,864	38,390	43,837	INCOME BEFORE TAXES
4,660	6,796	13,335	15,352	17,302	19,160	PROVISION FOR TAXES
2,747	4,113	8,607	8,932	11,632	11,925	Federal
379	501	1,049	1,233	1,325	1,584	State
1,534	2,182	3,679	5,187	4,345	5,651	Foreign
5,716	9,021	16,189	19,512	21,088	24,677	EARNINGS
66¢	\$1.04	\$1.87	\$2.25	\$2.44	\$2.85	EARNINGS PER SHARE

Supplemental information

—	—	10¢	10¢	20¢	20¢	Dividends per share
97,261	96,366	220,934	255,313	282,608	331,634	Orders received

CHANGES IN FINANCIAL POSITION

8,276	36,535	23,351	52,814	30,883	62,511	WORKING CAPITAL PROVIDED FROM:
5,716	9,021	16,189	19,512	21,088	24,677	Earnings
2,356	2,944	5,556	6,819	7,191	8,939	Depreciation of facilities
(384)	(219)	(828)	(583)	(1,231)	(807)	Earnings 50% owned companies
187	838	1,280	2,046	2,384	3,852	Deferred income taxes
401	10,451	1,154	11,368	1,451	12,171	Other
—	13,500	—	13,652	—	13,679	Long-term debt
9,322	9,375	19,251	29,196	27,530	39,462	WORKING CAPITAL USED FOR:
8,282	9,272	14,811	25,283	17,447	34,110	Additions to facilities
—	—	916	867	1,905	1,731	Payment of dividends
1,003	—	3,354	2,956	6,880	3,010	Investments
37	103	170	90	1,298	611	Other
(1,046)	27,160	4,100	23,618	3,353	23,049	RESULTING INCREASE IN WORKING CAPITAL

FINANCIAL POSITION

Mar. 2 1974	Nov. 16 1974	Mar. 8 1975	
\$149,684	180,025	196,047	CURRENT ASSETS
8,509	7,407	13,468	Cash including cash earning interest
47,609	63,132	65,728	Accounts receivable—net
18,897F	24,869L	29,008L	Finished inventory
70,440F	78,803L	81,413L	Other inventory
4,229	5,814	6,430	Prepaid expenses
41,194	75,646	64,508	CURRENT LIABILITIES
12,905	44,463	24,432	Indebtedness including current portion
5,857	7,679	7,881	Accounts payable
7,571	6,162	10,959	Income taxes
14,861	17,337	21,236	Accrued expenses
108,490	104,379	131,539	WORKING CAPITAL
54,907	73,118	79,113	FACILITIES at depreciated cost
1,857	1,596	1,428	INTANGIBLE ASSETS
11,339	14,920	5,363	INVESTMENTS
(909)	(786)	(14,259)	LONG-TERM INDEBTEDNESS—less current portion
(4,646)	(7,659)	(8,497)	DEFERRED INCOME TAXES
171,038	185,568	194,687	SHAREOWNERS' EQUITY
12,147	12,523	12,525	Common shares
(775)	(545)	(449)	Less treasury shares at cost
159,666	173,590	182,611	Reinvested earnings

Supplemental information

70,365	78,328	66,790	Product unfilled orders at catalog price
20,131	26,061	36,044	Product finished inventory at catalog price
8,647	8,667	8,671	Common shares outstanding
2,712	3,032	3,294	Buildings (thousand square feet)
12,346	13,423	13,056	Employees (number)

Footnotes: F: First in, first out. L: Last in, first out.