

■ **EARNINGS INCREASE 18 PER CENT IN FIRST QUARTER**

Earnings for the year's first quarter were up 18 per cent over first-quarter earnings a year ago. The increase to \$14,164,000 (79 cents per share) for the 12-week period compares with \$11,958,000 and 67 cents last year.

At the same time, first-quarter sales showed a 32 per cent growth over last year's first quarter. Total sales were \$158,850,000, including \$101,519,000 (64 per cent) for U.S. sales, and \$57,331,000 for International markets.

Test and Measurement Group sales amounted to \$123,330,000, an increase of 29 per cent. Information Display Group sales were \$35,520,000, a gain of 42 per cent.

Our business, by almost any measure, appears strong. Orders both here and overseas continue to increase. For the quarter, total orders received were up 39 per cent, to \$183,000,000. Unfilled orders were \$203,000,000.

□ **BOARD OF DIRECTORS INCREASES DIVIDEND AGAIN**

Meeting on September 23, the Board of Directors declared a quarterly dividend of 16 cents per share, up 33 per cent from the prior level of 12 cents. Shareholders of record October 6, 1978 will participate in the dividend, which is payable on October 23. Tektronix has paid regular dividends since 1972 and quarterly dividends since last January.



■ **CAPACITY ATTENDANCE AT SHAREHOLDERS MEETING**

A capacity turnout of 190 persons filled the Assembly cafeteria building on our Beaverton industrial park for this year's annual meeting of Tektronix shareholders.

Shareholders re-elected all seven directors: Paul Boley, James Castles, John Gray, Louis Perry, Howard Vollum, Earl Wantland and Frank Warren. And they again approved the selection of Deloitte Haskins & Sells as independent auditors.

Chairman Howard Vollum asked corporate officers for summary comments about the fiscal year completed in May.

After the annual meeting, the Board of Directors re-elected all Tektronix corporate officers.

□ **BIG GROUP ALSO ATTENDS WESCON SHOW AND TEKTRONIX BOOTH**

A new record was set at this year's WESCON electronics show in Los Angeles, when more than 42,700 persons attended the September show.

The Tektronix booth was crowded during the three days of product display, and much interest was shown in our digital design and test instruments.

Our new 832 data comm tester, a portable test instrument used on-site to service all major components of a data communications system, was introduced at WESCON. The 832 is designed for use with the 851, a portable tester that combines features of several instruments, including a counter and multimeter, into a single portable unit.

■ **TEK SIGNS PURCHASE AGREEMENT FOR CLARK COUNTY SITE**

In August Tektronix signed a purchase agreement covering about 270 acres of undeveloped land in Clark County, Washington, seven miles northeast of Portland.

Purchase of the tract under the agreement depends on a zone change, and other contingencies.

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

## INCOME

12 WEEKS Aug. 20 1977	12 WEEKS Aug. 19 1978	52 WEEKS Aug. 20 1977	52 WEEKS Aug. 19 1978	
\$120,412	\$158,850	\$485,827	\$637,324	<b>NET SALES</b>
95,405	123,330	380,739	498,302	Test and Measurement
25,007	35,520	105,088	139,022	Information Display
52,308	74,710	209,987	288,876	<b>MANUFACTURING COST OF SALES</b>
68,104	84,140	275,840	348,448	<b>GROSS PROFIT</b>
46,130	60,305	193,351	252,448	<b>OPERATING EXPENSES</b>
15,609	21,766	67,403	93,007	Selling
9,662	12,197	40,746	52,367	Engineering
9,842	13,472	42,452	56,693	Administrative
11,017	12,870	42,750	50,381	Employee profit share
21,974	23,835	82,489	96,000	<b>OPERATING INCOME</b>
1,003	1,039	4,170	4,282	Interest expense
(572)	(2,162)	(3,314)	(7,658)	Net non-operating (income) expense
21,543	24,958	81,633	99,376	<b>INCOME BEFORE INCOME TAXES</b>
9,585	10,794	34,123	40,324	<b>PROVISION FOR INCOME TAXES</b>
11,958	14,164	47,510	59,052	<b>EARNINGS</b>
67¢	79¢	\$2.68	\$3.30	<b>EARNINGS PER SHARE</b>
79,366	101,519	307,857	403,618	United States Sales
41,046	57,331	177,970	233,706	International Sales
		22½¢	60¢	Dividends per share
132,000	183,000	548,000	701,000	Orders received

## CHANGES IN FINANCIAL POSITION

17,814	23,846	70,691	85,498	<b>WORKING CAPITAL PROVIDED FROM:</b>
11,958	14,164	47,510	59,052	Earnings
3,188	3,856	13,261	15,962	Depreciation of facilities
(212)	(1,298)	(1,762)	(5,273)	Earnings of 50% owned companies
(304)	4,510	(189)	6,740	Deferred income taxes
2,402	1,453	3,962	5,481	Proceeds from sale of common shares
782	1,161	7,909	3,536	Other
8,764	15,536	30,658	62,058	<b>WORKING CAPITAL USED FOR:</b>
6,232	15,358	23,979	50,823	Additions to facilities
		3,971	10,701	Payment of dividends
2,532	178	2,708	534	Other
9,050	8,310	40,033	23,440	<b>CHANGE IN WORKING CAPITAL</b>

## FINANCIAL POSITION

Aug. 20 1977	May 27 1978	Aug. 19 1978	
306,871	357,704	358,284	<b>CURRENT ASSETS</b>
87,593	66,208	48,673	Cash including cash earning interest
89,667	115,100	120,611	Accounts receivable net
120,202	163,523	174,966	Inventory
9,409	12,873	14,034	Prepaid expenses
71,853	107,556	99,826	<b>CURRENT LIABILITIES</b>
6,599	10,351	18,975	Indebtedness due within one year
17,282	30,958	24,527	Accounts payable
23,184	18,458	19,555	Income taxes
24,788	47,789	36,769	Accrued expenses
235,018	250,148	258,458	<b>WORKING CAPITAL</b>
98,139	119,533	130,293	<b>FACILITIES at depreciated cost</b>
9,927	13,893	14,970	<b>INVESTMENTS AND OTHER ASSETS</b>
40,803	40,849	40,869	<b>LONG-TERM LIABILITIES</b>
13,799	16,029	20,539	<b>DEFERRED INCOME TAXES</b>
288,482	326,696	342,313	<b>SHAREOWNER'S EQUITY</b>
20,305	24,332	25,785	Common shares
268,177	302,364	316,528	Reinvested earnings
<b>Supplemental Information</b>			
140,000	179,000	203,000	Product unfilled orders at catalog price
17,756	17,913	17,955	Common shares outstanding
3,951	3,987	4,211	Buildings (thousand square feet)
15,886	19,147	20,247	Employees (number)

