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Tektronix Reports First Quarter Fiscal 2002 Results

*Test, Measurement and Monitoring Company Achieves Profitability
Targets in Tough Market Conditions*

BEAVERTON, Ore., September 13, 2001 – Tektronix, Inc. (NYSE: TEK) today reported net sales of \$216.6 million and net income from continuing operations of \$12.5 million, or \$0.13 per share, before non-recurring costs, for the first quarter of fiscal year 2002. This compares with sales of \$278.2 million and net income from continuing operations of \$27.6 million, or \$0.28 per share, excluding non-recurring charges, for the same period a year ago. Including non-recurring costs incurred to reduce the company's cost structure in line with order and sales expectations, net income for the first quarter of fiscal year 2002 was \$8.3 million, or \$0.09 per share.

"I am pleased we executed well and am proud of the efforts of all our employees worldwide in managing our operations and achieving our earnings target in what has certainly been a tough quarter," said Rick Wills, Tektronix president and CEO. "We responded to the rapid decline in our markets with swift actions to control expenses, allowing us to weather the downward pressure on our industry and the broader economy."

"The management team remains vigilant and focused on effectively managing our infrastructure through this downturn while keeping our sights on emerging stronger. We continue to take a surgical approach to expense reductions – preserving investment in research and development with an emphasis on key technologies and applications," said Wills.

For the second quarter of fiscal 2002, the company expects sales to decline approximately 35% over the same period a year ago. Operating margins are expected to be in the mid-single digits. In addition, the company expects to incur one-time costs of approximately \$5 million to continue aligning the cost structure with lower order and sales expectations.

"Based on what we see today, we are not expecting improvement in our markets in the near-term and have taken the necessary actions," said Wills. "However, we remain confident in our ability to build on our leadership position. We have an excellent and growing market position. We have terrific new products coming out in the next several quarters as a result of our investment in research and development over the last two years, and we have over \$750 million in cash and marketable investments – all playing a key role in allowing Tektronix to emerge from this downturn stronger."

Quarter Highlights

During the first quarter of fiscal 2002, the company announced the following:

- Tektronix introduced the TDS7254 high-performance oscilloscope, the newest silicon germanium (SiGe)-based addition to the award-winning TDS7000 family, and the TDS3000B Series of value-priced oscilloscopes which is the next-generation to one of the most successful products in Tektronix history.
- Several new arbitrary waveform generators, including the AWG710 and the AWG400 Series were introduced. The AWG710 was designed to overcome measurement challenges faced by design engineers in the disk drive, communications and semiconductor industries with the highest signal fidelity available. The AWG400 Series, with industry-leading resolution, simulates standard, arbitrary, analog and digital signals with the highest signal fidelity available.

- Tektronix announced important new advancements to its flagship platform for digital signal integrity -- the TLA700 Series logic analyzers. The new TLA715 and TLA721 mainframes feature a new multi-monitor capability that dramatically increases the available viewing area, improving productivity and speeding time to market. In addition, the new mainframes use an Intel Pentium III™ processor to deliver increased system performance.
- Alcatel announced that they would use the Tektronix CSA8000 high-speed communication signal analyzer to develop and manufacture laser components that meet the industry's leading optical standards. With the ability to test at up to 40 Gigabits per second (Gb/s) and to adjust to emerging standards, the Tektronix CSA8000 communication signal analyzer enables Alcatel to maintain a competitive leadership position as standards and end user demand increase in the optical industry.
- Tektronix announced that Finland's Teleste, the leading European supplier of network solutions for cable operators worldwide, has purchased a video test solution to identify the timing instability of compressed digital video signals, commonly referred to as Program Clock Reference (PCR) jitter. The decision to buy followed Teleste's successful use of the Emmy® award-winning Tektronix MTS215 Series (predecessor to the MTS300 family) in the United Kingdom.

Tektronix will be discussing its first quarter results and future guidance on a conference call today, beginning at 1:30 p.m. Pacific Daylight Time (PDT). A live webcast of the conference call will be available at www.tektronix.com/ir. A replay of the webcast will be available at the same Web site shortly after the call. Due to the impact of recent events on the financial community, we have extended the availability of the call on our Web site through Friday, October 5, 2001.

Forward-Looking Statements

Statements and information in this press release that relate to future events or results (including the Company's expectations as to sales, operating margins, expenses, market position and new products) are based on the Company's current expectations. They constitute forward-looking statements subject to a number of risk factors, which could cause actual results to differ materially from those currently expected or desired. Those factors include: worldwide economic and business conditions in the electronics, telecommunications, computer and Internet related industries; changes in order rates and customer cancellations; competitive factors, including pricing pressures, technological developments and new products offered by competitors; changes in product and sales mix, and the related effects on gross margins; the Company's ability to deliver a timely flow of competitive new products, and market acceptance of these products; the availability of parts and supplies from third-party suppliers on a timely basis and at reasonable prices; inventory risks due to changes in market demand or the Company's business strategies; changes in effective tax rates; currency fluctuations; the ability to ramp up production or to develop effective

sales channels; customers' acceptance of and demand for new products; successful integration of acquisitions; and the ability to reduce expenditures. Further information on factors that could cause actual results to differ from those anticipated is included in filings made by the Company from time to time with the Securities and Exchange Commission, including but not limited to, annual reports on Form 10-K and the quarterly reports on Form 10-Q.

About Tektronix

Tektronix, Inc. is a test, measurement, and monitoring company providing measurement solutions to the telecommunications, computer, and semiconductor industries worldwide. With more than 50 years of experience, Tektronix enables its customers to design, build, deploy, and manage next-generation global communications networks and advanced technologies. Headquartered in Beaverton, Oregon, Tektronix has operations in 25 countries worldwide. Tektronix' Web address is www.tektronix.com.

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The business and geographic product orders, net sales, and operating income breakdown is as follows:

(In thousands)	% <u>Growth</u>	Quarter Ended	
		Aug. 25, <u>2001</u>	Aug. 26, <u>2000</u>
Product Orders:	-46%	\$ 164,600	\$ 306,900
U.S.	-61%	62,600	160,800
International	-30%	102,000	146,100
Net Sales:	-22%	\$ 216,582	\$ 278,191
U.S.	-16%	118,950	141,166
International	-29%	97,632	137,025
Operating Income:		\$ 7,521	\$ 36,265

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Consolidated Statements of Operations

(In thousands, except per share amounts)	Quarter Ended Aug. 25, <u>2001</u>	Quarter Ended Aug. 26, <u>2000</u>
Net sales	\$ 216,582	\$ 278,191
Cost of sales	<u>108,344</u>	<u>133,229</u>
Gross profit	108,238	144,962
Gross margin	50%	52%
Research and development expenses	34,166	33,813
Selling, general and administrative expenses	57,641	74,437
Equity in business ventures' loss	982	132
Non-recurring charges	<u>7,928</u>	<u>315</u>
Operating income	7,521	36,265
Operating margin	3%	13%
Other income, net	<u>3,748</u>	<u>5,936</u>
Earnings before taxes	11,269	42,201
Income tax expense	<u>3,944</u>	<u>14,770</u>
Net earnings from continuing operations	7,325	27,431
Discontinued operations:		
Gain on sale of Color Printing and Imaging division (less applicable income tax expense of \$504)	<u>937</u> *	<u>-</u>
Net earnings	<u>\$ 8,262</u>	<u>\$ 27,431</u>
Earnings per share - basic	\$ 0.09	\$ 0.29
Earnings per share - diluted	\$ 0.09	\$ 0.28
Earnings per share from continuing operations - basic	\$ 0.08	\$ 0.29
Earnings per share from continuing operations - diluted	\$ 0.08	\$ 0.28
Earnings per share from discontinued operations - basic and diluted	\$ 0.01	\$ -
Weighted average shares outstanding - basic	92,040	95,378
Weighted average shares outstanding - diluted	92,815	97,477
Capital expenditures	\$ 6,780	\$ 8,482
Depreciation expense	\$ 9,695	\$ 9,953

* The gain from discontinued operations resulted from the settlement of certain transactions with Xerox Corporation related to the January 1, 2000 sale of the Color Printing and Imaging division.

Consolidated Balance Sheets

(In thousands)	<u>Aug. 25, 2001</u>	<u>May 26, 2001</u>
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 362,677	\$ 292,429
Short-term marketable investments	178,509	282,005
Trade accounts receivable, net	96,081	142,977
Inventories, net	152,530	149,964
Other current assets	<u>68,402</u>	<u>66,269</u>
Total current assets	858,199	933,644
Property, plant and equipment, net	168,365	171,750
Long-term marketable investments	209,694	217,258
Deferred tax assets, net	2,728	3,318
Other long-term assets	<u>197,380</u>	<u>196,127</u>
Total assets	<u>\$ 1,436,366</u>	<u>\$ 1,522,097</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 152,815	\$ 205,038
Accrued compensation	47,911	96,703
Deferred revenue	<u>16,684</u>	<u>14,208</u>
Total current liabilities	217,410	315,949
Long-term debt	124,307	127,840
Other long-term liabilities	69,817	64,963
Shareholders' equity:		
Common stock	228,691	225,003
Retained earnings	782,385	778,428
Accumulated other comprehensive income	<u>13,756</u>	<u>9,914</u>
Total shareholders' equity	<u>1,024,832</u>	<u>1,013,345</u>
Total liabilities and shareholders' equity	<u>\$ 1,436,366</u>	<u>\$ 1,522,097</u>
Shares outstanding	92,076	92,077

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