

For Immediate Release

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Tektronix Reports Second Quarter Fiscal 2002 Results

*Test, Measurement and Monitoring Company
Continues to Achieve Profitability Targets,
Will Acquire Remaining 50% Interest in Sony/Tektronix*

BEAVERTON, Ore., December 13, 2001 – Tektronix, Inc. (NYSE: TEK) today reported net sales of \$214.6 million and net income, before non-recurring charges, of \$10.8 million or \$0.12 per share, for the second quarter of fiscal year 2002 ending November 24, 2001. This compares with sales of \$325.1 million and net income, before non-recurring credits, of \$34.9 million or \$0.36 per share, for the same period last year. Including non-recurring items, net income for the second quarter of fiscal year 2002 was \$7.9 million or \$0.09 per share, as compared with \$36.7 million or \$0.38 per share, for the same period a year ago.

“We continued to execute well during these difficult economic times,” said Rick Wills, Tektronix Chairman, President and CEO. “We saw orders increase 13% over last quarter, largely due to strong customer acceptance of new products and fewer cancellations. I am pleased with our continued ability to manage spending and deliver on profitability targets while maintaining strategic investments.”

For the third quarter of fiscal 2002, the company expects sales to be down approximately 37% over the same period a year ago. Operating margins are

expected to be in the mid-single digits. For the fiscal year, the company expects sales to be down about 30% and operating margins to be in the mid-single digits. "We believe that the economic environment will continue to remain challenging and we will need to continue to carefully manage spending," said Wills. "Although we have seen some stabilization in our orders, we do not expect a recovery in the short-term. However, I remain confident in our ability to build on our leadership position with a number of new products in the pipeline that address market demand, as well as \$730 million in cash and marketable investments – all of which position Tektronix to take advantage of the eventual upturn."

After the end of the quarter, Tektronix agreed to obtain 100% ownership in Sony/Tektronix – the joint venture between Tektronix and Sony for distribution and development in Japan – for a cash price of ¥8.0 billion or approximately \$65.0 million. The transaction is scheduled to close at the end of September 2002.

"For over 35 years, Sony/Tektronix has been an integral part of the Tektronix global strategy," said Wills. "Sony has been an exceptional partner and we look forward to continuing our relationship with Sony as a key customer in the future. This move will enhance Tektronix' ability to understand the needs of Japanese customers and will enable us to leverage Sony/Tektronix' strong engineering capabilities."

Quarter Highlights

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

- Tektronix introduced the CSA7000 Series, a new family of communications signal analyzers that efficiently helps designers troubleshoot and conformance-test optical and electrical signals up to 2.5 Gigabits per second (Gb/s). The CSA7000 Series' flagship product, the CSA7404, is the first and only real-time digital oscilloscope to specifically address the design of high-speed electrical and optical systems with data rates of up to 2.5 Gb/s, enabling designers to implement Fibre Channel, Gigabit Ethernet, and emerging standards in optical and datacom applications at unparalleled data rates.
- Tektronix announced and shipped the TDS5000 Series DPO (digital phosphor oscilloscope), which set a new price-for-performance benchmark in the industry. The TDS5000 Series allows designers to capture irregularities more reliably and trace problems more quickly.

- Tektronix announced a new handheld MPEG test tool that provides a portable first line of defense in analyzing MPEG-2 transport stream formats. The new Tektronix AD920 is a battery-powered MPEG transport stream confidence tester that will be used to help ensure quality and reliability in networks that distribute video, audio, and data in digital formats, including DVB and ATSC formats. The product received the SatisFecit technology innovation award, which recognizes groundbreaking technological innovations.
- Tektronix introduced the AWG710, a high-speed arbitrary waveform generator that delivers significant advancement in sample rate and record length, while providing industry-leading signal fidelity. The new instrument gives disk drive, data communications and semiconductor manufacturers the speed and clarity that is necessary to surmount technology barriers in the development of next-generation designs.
- Tektronix announced significant new third-generation (3G) measurement capabilities for its widely accepted Tektronix NetTek™ YBT250 portable base station field tool. The new Option CD2 adds cdma2000 measurement capability to a platform that has provided a low-cost, lightweight and easy-to-use solution to field technicians around the world.
- China's Research Institute of TV and Electro-Acoustics' (TVEA) Ministry of Information Industry purchased Tektronix' video test equipment to equip its digital TV (DTV) testing lab, making the digital lab the industry source for verification of standards-compliance on DTV products in China. The Tektronix equipment will be used to support the development of China's DTV transmission standard and to support the agency in the development of defining standards for products related to DTV by assuring the quality test of DTV products.

Tektronix will be discussing its second quarter results and future guidance on a conference call today, beginning at 1:30 p.m. Pacific Standard Time (PST). 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 through Friday, January 4, 2002.

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, new products and acquisition of Sony/Tektronix) 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, including the length and severity of the current downturn, which is unknown; 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 develop effective sales channels; the ability to successfully acquire and integrate the Sony/Tektronix acquisition; the ability to reduce expenditures to adjust to the current downturn while at the same time maintaining the capacity and resources to quickly ramp up if and when a recovery occurs; and, generally, the Company's ability to execute successfully during the current downturn. 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.

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

(In thousands)	% <u>Growth</u>	Quarter Ended		% <u>Growth</u>	Two Quarters Ended	
		Nov. 24, <u>2001</u>	Nov. 25, <u>2000</u>		Nov. 24, <u>2001</u>	Nov. 25, <u>2000</u>
Product Orders:	-41%	\$ 186,700	\$ 317,200	-44%	\$ 351,300	\$ 624,100
U.S.	-49%	86,500	170,200	-55%	149,100	331,000
International	-32%	100,200	147,000	-31%	202,200	293,100
Net Sales:	-34%	\$ 214,633	\$ 325,143	-29%	\$ 431,215	\$ 603,334
U.S.	-43%	100,729	176,407	-31%	219,679	317,573
International	-23%	113,904	148,736	-26%	211,536	285,761
Operating Income:		\$ 6,244	\$ 50,434		\$ 13,765	\$ 86,699

Consolidated Statements of Operations

(In thousands, except per share amounts)	Quarter Ended		Two Quarters Ended	
	Nov. 24, <u>2001</u>	Nov. 25, <u>2000</u>	Nov. 24, <u>2001</u>	Nov. 25, <u>2000</u>
Net sales	\$ 214,633	\$ 325,143	\$ 431,215	\$ 603,334
Cost of sales *	<u>107,713</u>	<u>157,617</u>	<u>216,057</u>	<u>290,846</u>
Gross profit	106,920	167,526	215,158	312,488
Gross margin	50%	52%	50%	52%
Research and development expenses	31,377	39,120	65,543	72,933
Selling, general and administrative expenses	64,232	81,221	121,873	155,658
Equity in business ventures' loss (earnings)	623	(1,226)	1,605	(1,094)
Gain on sale of the Video and Networking Division *	-	(1,456)	-	(1,456)
Non-recurring charges (credits) *	<u>4,444</u>	<u>(567)</u>	<u>12,372</u>	<u>(252)</u>
Operating income	6,244	50,434	13,765	86,699
Operating margin	3%	16%	3%	14%
Other income, net	<u>5,954</u>	<u>6,054</u>	<u>9,702</u>	<u>11,990</u>
Earnings before taxes	12,198	56,488	23,467	98,689
Income tax expense	<u>4,269</u>	<u>19,771</u>	<u>8,213</u>	<u>34,541</u>
Net earnings from continuing operations	7,929	36,717	15,254	64,148
Discontinued operations:				
Gain on sale of Color Printing and Imaging Division (less applicable income tax expense of \$504)	<u>-</u>	<u>-</u>	<u>937</u>	<u>-</u>
Net earnings	<u>\$ 7,929</u>	<u>\$ 36,717</u>	<u>\$ 16,191</u>	<u>\$ 64,148</u>
Earnings per share - basic	\$ 0.09	\$ 0.39	\$ 0.18	\$ 0.68
Earnings per share - diluted	\$ 0.09	\$ 0.38	\$ 0.18	\$ 0.66
Earnings per share from continuing operations - basic	\$ 0.09	\$ 0.39	\$ 0.17	\$ 0.68
Earnings per share from continuing operations - diluted	\$ 0.09	\$ 0.38	\$ 0.17	\$ 0.66
Earnings per share from discontinued operations - basic and diluted	\$ -	\$ -	\$ 0.01	\$ -
Weighted average shares outstanding - basic	91,531	94,646	91,786	95,012
Weighted average shares outstanding - diluted	91,969	96,499	92,437	96,990
Capital expenditures	\$ 3,364	\$ 5,831	\$ 10,144	\$ 14,313
Depreciation expense	\$ 9,534	\$ 9,955	\$ 19,229	\$ 19,908

*Non-recurring credits for the quarter ended November 25, 2000 total \$2.8 million, with \$0.8 million reflected in Cost of sales, \$1.4 million in Gain on sale of the Video and Networking Division and \$0.6 million in Non-recurring charges (credits), for a total impact on EPS of \$0.02.

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Consolidated Balance Sheets

(In thousands)	<u>Nov. 24, 2001</u>	<u>May 26, 2001</u>
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 304,144	\$ 292,429
Short-term marketable investments	179,474	282,005
Trade accounts receivable, net	97,962	142,977
Inventories	143,689	149,964
Other current assets	<u>68,356</u>	<u>66,269</u>
Total current assets	793,625	933,644
Property, plant and equipment, net	157,887	171,750
Long-term marketable investments	248,440	188,484
Deferred tax assets, net	4,734	3,318
Other long-term assets	<u>221,230</u>	<u>224,901</u>
Total assets	<u>\$ 1,425,916</u>	<u>\$ 1,522,097</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 153,402	\$ 205,038
Accrued compensation	52,095	96,703
Current portion of long-term debt	42,775	-
Deferred revenue	<u>16,436</u>	<u>14,208</u>
Total current liabilities	264,708	315,949
Long-term debt	81,527	127,840
Other long-term liabilities	68,203	64,963
Shareholders' equity:		
Common stock	227,196	225,003
Retained earnings	776,757	778,428
Accumulated other comprehensive income	<u>7,525</u>	<u>9,914</u>
Total shareholders' equity	<u>1,011,478</u>	<u>1,013,345</u>
Total liabilities and shareholders' equity	<u>\$ 1,425,916</u>	<u>\$ 1,522,097</u>
Shares outstanding	91,188	92,077