

**For Immediate Release**

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## **Tektronix Reports Results for Fiscal 2002**

*Test, Measurement and Monitoring Company Reports Another Profitable Quarter*

BEAVERTON, Ore., June 20, 2002 – Tektronix, Inc. (NYSE: TEK) today reported net sales of \$208.5 million and net earnings from continuing operations, before non-recurring items, of \$12.2 million or \$0.13 per share, for the fourth quarter of fiscal year 2002 ending May 25, 2002. This compares with sales of \$305.1 million and net earnings from continuing operations, before non-recurring items, of \$34.6 million or \$0.37 per share, for the same period last year. Including non-recurring items, net income from continuing operations for the fourth quarter of fiscal year 2002 was \$4.8 million or \$0.05 per share, as compared with \$35.0 million or \$0.37 per share, for the same period a year ago.

For the fiscal year 2002, the company reported sales of \$843.3 million, compared to sales of \$1.235 billion in fiscal 2001. Net earnings from continuing operations, before non-recurring items, were \$47.5 million, or \$0.51 per share, compared to net earnings from continuing operations of \$132.3 million, or \$1.38 per share, excluding non-recurring items for fiscal 2001. Tektronix' consolidated net earnings from continuing operations for fiscal 2002, including non-recurring items, were \$30.5 million, or \$0.33 per share, compared to \$140.1 million, or \$1.46 per share for fiscal year 2001.

"Our ability to deliver profits this year given the extreme difficulties in the technology marketplace differentiates Tektronix," said Rick Wills, Tektronix Chairman and CEO. "We developed a strategy for navigating through the downturn that emphasized the preservation of key investments, and a surgical approach to cost management that allowed us to execute new product introduction plans and deliver profits every quarter.

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We delivered on each of our objectives and are well positioned in our market to emerge stronger."

"In the fourth quarter, we introduced a number of major new products that have been well received in the marketplace, including the TDS1000 and TDS2000 Series, a new benchmark for performance and ease-of-use for low-cost, color oscilloscopes. We also introduced the first Silicon Germanium logic analyzer, the TLA7Axx, which is not only the world's fastest logic analyzer but also incorporates a breakthrough connectorless probing system that enables engineers to test analog and digital designs with unprecedented speed, increased accuracy and reduced cost," continued Wills.

"We reinforced our commitment to expand our presence in the optical communications test market with the introduction of several new optical products and the acquisition of Profile Optische Systeme GmbH, a technology leader in optical parametric test."

For the first quarter of fiscal 2003, the company expects sales to be down 10% - 12% over the same period a year ago. Operating margins are expected to be in the low-single digits.

"The markets remain challenging and we are not expecting significant market improvements in this calendar year. However, we are well positioned with new category-leading products, the strongest distribution network in the industry and continued strategic investments. As a management team, we have demonstrated diligence in managing operations to deliver results while maintaining and enhancing our investments in our future," concluded Wills.

### **Quarter Highlights**

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

- The world's fastest logic analyzer with revolutionary probing technology, the latest TLA700 Series product enables engineers to test digital designs with increased accuracy and reduced cost.
- The TDS1000 and TDS2000 Series digital storage oscilloscopes (DSO), two oscilloscope families that establish a new benchmark for performance and ease-of-use among instruments in the low-cost oscilloscope market.
- The TDS3000B Series digital phosphor oscilloscope (DPO) was selected as Innovation of the Year in an industry competition for engineering excellence. Sponsored by *EDN Magazine*, the coveted Innovation of the Year winner is decided by reader ballot exclusively

on the *EDN Access* Web site. Winners were announced at an awards ceremony where the TDS3000B Series was awarded the top honor in the Test and Measurement category.

- Fumihiko Nakamura was named President of Sony/Tektronix and will provide leadership for Sony/Tektronix as it fully integrates into Tektronix in October 2002. Chosen for his proven leadership in management, engineering and marketing, Nakamura will work closely to align the strategy and structure of the Japanese operations with that of the global Tektronix organization.
- The acquisition of Profile Optische Systeme GmbH, a technology leader in optical component test and measurement. Profile will be integrated into Tektronix' optical business, expanding the company's portfolio of products focused on physical layer test and providing the technology building blocks for future optical network solutions.
- Several new optical products including the OTS9600 Series of optical test modules, which provide a swept wavelength measurement system for passive optical components and significant additions and enhancements to its proven family of modular optical test systems – the OTS9100 Series – enabling manufacturers to significantly reduce test system cost and test setup time for both design and manufacturing of higher-capacity optical elements.
- The WFM90D/91D, a handheld waveform monitor for broadcasters, network operators and content providers who need a fully portable instrument that can monitor both digital and analog signals from a single tool.
- The addition of W-CDMA and antenna test capabilities for the YBT250 field base station tester for wireless communications networks.

Tektronix will be discussing its fourth 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](http://www.tektronix.com/ir). A replay of the Webcast will be available at the same Web site through Friday, July 12, 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 the 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 geopolitical business conditions in the electronics, communications, computer and advanced technologies industries, including the length and severity of the current downturn, which is unknown; changes in order rates and customer cancellations, including changes in seasonal buying habits; 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; resolution of indemnities relating to certain acquisitions and divestitures; changes in effective tax rates; resolution of pending IRS tax audits; currency fluctuations; the ability to develop effective sales channels; the ability to successfully acquire and integrate the Sony/Tektronix and Profile acquisitions; 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 communications, computer, and semiconductor industries worldwide. With more than 55 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 more than 20 countries worldwide. Tektronix' Web address is [www.tektronix.com](http://www.tektronix.com).

Consolidated Statements of Operations

(In thousands, except per share amounts)	Quarter Ended		Four Quarters Ended	
	May 25, <u>2002</u>	May 26, <u>2001</u>	May 25, <u>2002</u>	May 26, <u>2001</u>
Net sales	\$ 208,510	\$ 305,087	\$ 843,329	\$ 1,235,275
Cost of sales	<u>107,803</u>	<u>144,441</u>	<u>426,342</u>	<u>593,779</u>
Gross profit	100,707	160,646	416,987	641,496
Research and development expenses	26,754	39,372	121,283	153,128
Selling, general and administrative expenses	59,078	78,967	232,635	312,968
Equity in business ventures' loss (earnings)	863	(697)	3,971	(1,643)
Gain on sale of the Video and Networking Division	(818)	-	(818)	(1,456)
Non-recurring charges (credits)	12,296	(616)	27,021	(9,972)
Other operating expense (income), net	<u>1,320</u>	<u>(1,455)</u>	<u>5,542</u>	<u>1,771</u>
Operating income	1,214	45,075	27,353	186,700
Non-operating income, net	<u>6,115</u>	<u>8,704</u>	<u>19,496</u>	<u>33,488</u>
Earnings before taxes	7,329	53,779	46,849	220,188
Income tax expense	<u>2,565</u>	<u>18,822</u>	<u>16,397</u>	<u>80,079</u>
Net earnings from continuing operations	4,764	34,957	30,452	140,109
Discontinued operations:				
Gain on sale of Color Printing and Imaging Division (less applicable income tax expense of \$700 and \$1,204, respectively)	<u>1,300</u>	<u>-</u>	<u>2,237</u>	<u>-</u>
Net earnings	<u>\$ 6,064</u>	<u>\$ 34,957</u>	<u>\$ 32,689</u>	<u>\$ 140,109</u>
Earnings per share - basic	\$ 0.07	\$ 0.38	\$ 0.36	\$ 1.48
Earnings per share - diluted	\$ 0.07	\$ 0.37	\$ 0.35	\$ 1.46
Earnings per share from continuing operations - basic	\$ 0.05	\$ 0.38	\$ 0.33	\$ 1.48
Earnings per share from continuing operations - diluted	\$ 0.05	\$ 0.37	\$ 0.33	\$ 1.46
Earnings per share from discontinued operations - basic and diluted	\$ 0.01	\$ -	\$ 0.02	\$ -
Weighted average shares outstanding - basic	90,869	93,116	91,439	94,459
Weighted average shares outstanding - diluted	91,779	94,136	92,263	96,103

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Consolidated Balance Sheets

(In thousands)	<u>May 25, 2002</u>	<u>May 26, 2001</u>
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 262,994	\$ 292,429
Short-term marketable investments	193,644	282,005
Trade accounts receivable, net	100,325	142,977
Inventories	125,086	149,964
Other current assets	55,315	66,269
Total current assets	<u>737,364</u>	<u>933,644</u>
Property, plant and equipment, net	143,251	171,750
Long-term marketable investments	301,104	188,484
Deferred tax assets, net	57,169	3,318
Other long-term assets	128,156	224,901
Total assets	<u>\$ 1,367,044</u>	<u>\$ 1,522,097</u>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 138,808	\$ 205,038
Accrued compensation	57,562	96,703
Current portion of long-term debt	41,765	-
Deferred revenue	18,103	14,208
Total current liabilities	<u>256,238</u>	<u>315,949</u>
Long-term debt	57,302	127,840
Other long-term liabilities	126,348	64,963
Shareholders' equity:		
Common stock	231,035	225,003
Retained earnings	774,282	778,428
Accumulated other comprehensive income/(loss)	(78,161)	9,914
Total shareholders' equity	<u>927,156</u>	<u>1,013,345</u>
Total liabilities and shareholders' equity	<u>\$ 1,367,044</u>	<u>\$ 1,522,097</u>
Shares outstanding	90,509	92,077

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**Selected Additional Financial Data**

(Dollars in thousands, except per share amounts)	% Growth	Quarter Ended		% Growth	Four Quarters Ended	
		May 25, 2002	May 26, 2001		May 25, 2002	May 26, 2001
<b>Product Orders and Sales Data:</b>						
Orders	(15%)	\$ 180,300	\$ 212,300	(39%)	\$ 706,700	\$ 1,152,700
U.S.	(16%)	89,600	106,100	(46%)	318,600	592,100
International	(15%)	90,700	106,200	(31%)	388,100	560,600
Net Sales	(32%)	\$ 208,510	\$ 305,087	(32%)	\$ 843,329	\$ 1,235,275
U.S.	(39%)	103,335	168,129	(35%)	420,307	651,050
International	(23%)	105,175	136,958	(28%)	423,022	584,225

**Effect of Non-recurring Items:**

Net income from continuing operations	\$	4,764	\$	34,957	\$	30,452	\$	140,109
Non-recurring charges (credits)		12,296		(616)		27,021		(9,972)
Non-recurring credits included in cost of sales		-		-		-		(827)
Gain on sale of the Video and Networking Division		(818)		-		(818)		(1,456)
Tax effect of non-recurring items		(4,017)		216		(9,171)		4,457
Net income excluding non-recurring items	\$	12,225	\$	34,557	\$	47,484	\$	132,311
Diluted earnings per share excluding non-recurring items	\$	0.13	\$	0.37	\$	0.51	\$	1.38

**Income Statement Items as a Percentage of Net Sales:**

Cost of sales	52%	47%	51%	48%
Research and development expenses	13%	13%	14%	12%
Selling, general and administrative expenses	28%	26%	28%	25%
Equity in business ventures' loss (earnings)	0%	0%	0%	0%
Gain on sale of the Video and Networking Division	0%	0%	0%	0%
Non-recurring charges (credits)	6%	0%	3%	(1%)
Other operating expense, net	1%	0%	1%	0%
Operating income	1%	15%	3%	15%

**Capital Expenditures and Depreciation:**

Capital expenditures	\$	4,655	\$	10,688	\$	16,977	\$	33,721
Depreciation expense	\$	9,040	\$	10,485	\$	37,497	\$	40,951

	Year ended May 25, 2002	Year ended May 26, 2001
<b>Balance Sheet:</b>		
Cash and marketable investments:		
Cash and cash equivalents	\$ 262,994	\$ 292,429
Short-term marketable investments	193,644	282,005
Long-term marketable investments	301,104	188,484
Cash and marketable investments	\$ 757,742	\$ 762,918
Accounts receivable as a percentage of net sales	11.9%	11.6%
Days sales outstanding	43.4	42.3
Accounts receivable turnover	52.7	45.2
Inventory as a percentage of net sales	14.8%	12.1%
Inventory turns	3.1	4.5