

Consolidated Statements of Operations

(In thousands, except per share amounts)	Quarter Ended		Two Quarters Ended	
	November 30, <u>2002</u>	November 24, <u>2001</u>	November 30, <u>2002</u>	November 24, <u>2001</u>
Net sales	\$ 204,580	\$ 207,578	\$ 405,944	\$ 415,262
Cost of sales	<u>103,513</u>	<u>104,481</u>	<u>205,157</u>	<u>208,616</u>
Gross profit	101,067	103,097	200,787	206,646
Research and development expenses	25,090	29,958	49,962	62,166
Selling, general and administrative expenses	63,826	59,274	120,162	114,084
Equity in business ventures' loss	1,440	623	2,893	1,605
Business realignment costs	3,259	4,444	12,824	12,372
Acquisition related costs	1,832	-	1,832	-
(Gain) loss on sale of assets	<u>(492)</u>	<u>3,441</u>	<u>(507)</u>	<u>3,831</u>
Operating income	6,112	5,357	13,621	12,588
Non-operating income, net	<u>4,510</u>	<u>5,954</u>	<u>9,494</u>	<u>9,702</u>
Earnings before taxes	10,622	11,311	23,115	22,290
Income tax expense (benefit)	<u>3,718</u>	<u>3,959</u>	<u>(4,410)</u>	<u>7,801</u>
Net earnings from continuing operations	6,904	7,352	27,525	14,489
Discontinued operations:				
Loss on sale of VideoTele.com (less applicable income tax benefit of \$210)	(390)	-	(390)	-
(Loss) earnings from operations of VideoTele.com (less applicable income tax (benefit) expense of (\$960), \$311, (\$1,413) and \$412)	(1,782)	577	(2,624)	765
Gain on sale of Color Printing and Imaging division (less applicable income tax expense of \$505)	<u>-</u>	<u>-</u>	<u>-</u>	<u>937</u>
Net earnings	<u>\$ 4,732</u>	<u>\$ 7,929</u>	<u>\$ 24,511</u>	<u>\$ 16,191</u>
Earnings per share from continuing operations - basic and diluted	\$ 0.08	\$ 0.08	\$ 0.31	\$ 0.16
(Loss) earnings per share from discontinued operations - basic and diluted	\$ (0.02)	\$ 0.01	\$ (0.03)	\$ 0.02
Earnings per share - basic and diluted	\$ 0.05	\$ 0.09	\$ 0.28	\$ 0.18
Weighted average shares outstanding - basic	87,127	91,531	88,343	91,786
Weighted average shares outstanding - diluted	87,335	91,969	88,625	92,437

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Consolidated Balance Sheets

(In thousands)	<u>November 30, 2002</u>	<u>May 25, 2002</u>
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 170,241	\$ 262,994
Short-term marketable investments	171,369	193,644
Trade accounts receivable, net	103,915	100,325
Inventories	112,814	125,086
Other current assets	72,020	65,107
Total current assets	<u>630,359</u>	<u>747,156</u>
Property, plant and equipment, net	164,039	143,251
Long-term marketable investments	371,440	301,104
Deferred tax assets, net	89,433	64,522
Other long-term assets	139,599	128,156
Total assets	<u>\$ 1,394,870</u>	<u>\$ 1,384,189</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 140,037	\$ 155,953
Accrued compensation	59,258	57,562
Current portion of long-term debt	57,675	41,765
Deferred revenue	16,454	18,103
Total current liabilities	<u>273,424</u>	<u>273,383</u>
Long-term debt	54,063	57,302
Other long-term liabilities	176,981	126,348
Shareholders' equity:		
Common stock	224,834	231,035
Retained earnings	739,448	774,282
Accumulated other comprehensive loss	(73,880)	(78,161)
Total shareholders' equity	<u>890,402</u>	<u>927,156</u>
Total liabilities and shareholders' equity	<u>\$ 1,394,870</u>	<u>\$ 1,384,189</u>
Shares outstanding	86,938	90,509

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Selected Additional Financial Data

(Dollars in thousands, except per share amounts)	% Growth	Quarter Ended		% Growth	Two Quarters Ended	
		November 30, 2002	November 24, 2001		November 30, 2002	November 24, 2001
Product Orders and Sales Data:						
Orders	0%	\$ 181,000	\$ 180,300	8%	\$ 371,900	\$ 344,900
U.S.	(8%)	74,000	80,100	8%	154,300	142,700
International	7%	107,000	100,200	8%	217,600	202,200
Net Sales	(1%)	\$ 204,580	\$ 207,578	(2%)	\$ 405,944	\$ 415,262
U.S.	1%	95,564	94,313	(9%)	187,026	204,443
International	(4%)	109,016	113,265	4%	218,918	210,819

Effect of Non-recurring Items:

Net earnings from continuing operations	\$	6,904	\$	7,352	\$	27,525	\$	14,489
Business realignment costs		3,259		4,444		12,824		12,372
Acquisition related costs		1,832		-		1,832		-
Reversal of tax reserve		-		-		(12,500)		-
Tax effect of non-recurring items		(1,782)		(1,555)		(5,130)		(4,330)
Net income excluding non-recurring items	\$	10,213	\$	10,241	\$	24,551	\$	22,531
Diluted earnings per share excluding non-recurring items	\$	0.12	\$	0.11	\$	0.28	\$	0.24

Income Statement Items as a Percentage of Net Sales:

Cost of sales	51%	50%	51%	50%
Research and development expenses	12%	14%	12%	15%
Selling, general and administrative expenses	31%	29%	30%	27%
Equity in business ventures' loss	1%	0%	1%	0%
Business realignment costs	2%	2%	3%	3%
(Gain) loss on sale of assets	0%	2%	0%	1%
Operating income	3%	3%	3%	3%

Capital Expenditures and Depreciation:

Capital expenditures	\$	5,117	\$	3,364	\$	7,837	\$	10,144
Depreciation expense	\$	8,377	\$	9,534	\$	16,400	\$	19,229

	Quarter Ended November 30, 2002	Year Ended May 25, 2002
Balance Sheet:		
Cash and Marketable Investments:		
Cash and cash equivalents	\$ 170,241	\$ 262,994
Short-term marketable investments	171,369	193,644
Long-term marketable investments	371,440	301,104
Cash and Marketable Investments	\$ 713,050	\$ 757,742
Accounts receivable as a percentage of annualized net sales	12.7%	11.9%
Days sales outstanding	46.2	43.4
Accounts receivable turnover	48.4	52.7
Inventory as a percentage of annualized net sales	13.8%	14.8%
Inventory turns	3.7	3.1

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Tektronix Second Quarter 2003 Results - Consolidation of Tektronix Japan

(In thousands, except per share amounts)	Second Quarter FY 2002		Second Quarter FY 2003		
	<u>Tektronix</u>	<u>Tektronix</u>	<u>Tektronix Japan</u>	<u>Eliminations</u>	<u>Tektronix Consolidated</u>
Orders	\$ 180,300	\$ 173,800	\$ 19,700	\$ (12,500)	\$ 181,000
Net sales	\$ 207,578	\$ 198,410	\$ 19,046	\$ (12,876)	\$ 204,580
Cost of sales	<u>104,481</u>	<u>103,374</u>	<u>13,015</u>	<u>(12,876)</u>	<u>103,513</u>
Gross profit	103,097	95,036	6,031	-	101,067
Research and development expenses	29,958	23,355	1,735	-	25,090
Selling, general and administrative expenses	59,274	56,090	7,736	-	63,826
Equity in business ventures' loss	623	1,835	-	(395)	1,440
Business realignment costs	4,444	3,259	-	-	3,259
Acquisition related costs	-	325	1,507	-	1,832
(Gain) loss on sale of assets	<u>3,441</u>	<u>(492)</u>	<u>-</u>	<u>-</u>	<u>(492)</u>
Operating income	5,357	10,665	(4,948)	395	6,112
Non-operating income (expense), net	<u>5,954</u>	<u>4,522</u>	<u>(12)</u>	<u>-</u>	<u>4,510</u>
Earnings (loss) before taxes	11,311	15,187	(4,960)	395	10,622
Income tax expense (benefit)	<u>3,959</u>	<u>5,315</u>	<u>(1,736)</u>	<u>138</u>	<u>3,718</u>
Net earnings (loss) from continuing operations	7,352	9,872	(3,224)	257	6,904
Discontinued operations:					
Loss on sale of VideoTele.com (less applicable income tax benefit of (\$210))	-	(390)	-	-	(390)
Earnings (loss) from operations of VideoTele.com (less applicable income tax expense (benefit) of \$311, (\$960) and (\$960))	577	(1,782)	-	-	(1,782)
Gain on sale of Color Printing and Imaging division (less applicable income tax expense of \$505)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net earnings (loss)	\$ <u>7,929</u>	\$ <u>7,700</u>	\$ <u>(3,224)</u>	\$ <u>257</u>	\$ <u>4,732</u>
Earnings (loss) per share from continuing operations - basic and diluted	\$ 0.08	\$ 0.11	\$ (0.04)	\$ 0.00	\$ 0.08
Earnings (loss) per share from discontinued operations - basic and diluted	\$ 0.01	\$ (0.02)	\$ -	\$ -	\$ (0.02)
Earnings (loss) per share - basic and diluted	\$ 0.09	\$ 0.09	\$ (0.04)	\$ 0.00	\$ 0.05
Weighted average shares outstanding - basic	91,531	87,127	87,127	87,127	87,127
Weighted average shares outstanding - diluted	91,969	87,335	87,335	87,335	87,335

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