

Tektronix Third Quarter 1999 Results.../4

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

| (In thousands) | Quarter Ended | | Three Quarters Ended | |
|---|-------------------------|-------------------------|-------------------------|-------------------------|
| | Feb. 27, <u>1999</u> | Feb. 28, <u>1998</u> | Feb. 27, <u>1999</u> | Feb. 28, <u>1998</u> |
| Net Sales: (Net sales for the three quarters ended Feb. 27, 1999, were reduced \$6,464 for sales returns related to the business reorganization) | \$ 470,608 | \$ 517,570 | \$ 1,321,751 | \$ 1,527,890 |
| Measurement Business | 202,721 | 240,209 | 614,307 | 715,593 |
| Color Printing and Imaging | 197,599 | 183,680 | 512,231 | 524,991 |
| Video and Networking | 70,288 | 93,681 | 195,213 | 287,306 |
| U.S. | 224,226 | 254,073 | 667,475 | 781,873 |
| International | 246,382 | 263,497 | 654,276 | 746,017 |
| Product Orders: | \$ 410,700 | \$ 461,200 | \$ 1,285,800 | \$ 1,410,600 |
| Measurement Business | 187,500 | 196,500 | 567,600 | 636,100 |
| Color Printing and Imaging | 159,800 | 173,200 | 530,900 | 494,100 |
| Video and Networking | 63,400 | 91,500 | 187,300 | 280,400 |
| U.S. | 212,100 | 232,400 | 647,800 | 715,700 |
| International | 198,600 | 228,800 | 638,000 | 694,900 |

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Consolidated Statements of Operations

| (In thousands, except per share amounts) | Quarter Ended | | Three Quarters Ended | |
|---|-------------------------|-------------------------|-------------------------|-------------------------|
| | Feb. 27, <u>1999</u> | Feb. 28, <u>1998</u> | Feb. 27, <u>1999</u> | Feb. 28, <u>1998</u> |
| Net sales | \$ 470,608 | \$ 517,570 | \$ 1,321,751 | \$ 1,527,890 |
| (Net sales for the three quarters ended Feb. 27, 1999, were reduced \$6,464 for sales returns related to the business reorganization) | | | | |
| Cost of sales | 281,555 | 292,716 | 822,177 | 909,768 |
| (Cost of sales for the three quarters ended Feb. 27, 1999, and Feb. 28, 1998, respectively, include \$27,760 and \$38,482, respectively, related to the business organization) | | | | |
| Gross profit | 189,053 | 224,854 | 499,574 | 618,122 |
| Research and development expenses | 44,262 | 52,944 | 152,823 | 149,373 |
| (Research and development expenses for the three quarters ended Feb. 27, 1999, include \$4,019 related to the business reorganization) | | | | |
| Selling, general and administrative expenses | 116,242 | 123,277 | 358,512 | 374,717 |
| (Administrative expenses for three quarters ended Feb. 27, 1999, include \$803 of bad debt expense related to the business reorganization) | | | | |
| Equity in business ventures' earnings (loss) | 286 | (34) | (8,894) | 430 |
| Non-recurring charges | --- | --- | 81,488 | 40,478 |
| (For the business reorganizations during the three quarters ended Feb. 27, 1999, and Feb. 28, 1998, respectively, and for acquired in-process R&D for the three quarters ended Feb. 28, 1998) | | | | |
| Operating income (loss) | 28,835 | 48,599 | (102,143) | 53,984 |
| Other income (expense) - net | (7,508) | 2,507 | (9,668) | 5,329 |
| Earnings (loss) before taxes | 21,327 | 51,106 | (111,811) | 59,313 |
| Income tax expense (benefit) | 6,825 | 16,865 | (35,779) | 19,573 |
| Net earnings (loss) | <u>\$ 14,502</u> | <u>\$ 34,241</u> | <u>\$ (76,032)</u> | <u>\$ 39,740</u> |
| Basic earnings (loss) per share | \$ 0.31 | \$ 0.68 | \$ (1.59) | \$ 0.79 |
| Diluted earnings (loss) per share | 0.31 | 0.67 | (1.59) | 0.77 |
| Dividends per share | 0.12 | 0.12 | 0.36 | 0.34 |
| Average shares outstanding - basic | 46,846 | 50,483 | 47,944 | 50,438 |
| Average shares outstanding - diluted | 47,249 | 51,408 | 47,944 | 51,381 |
| Capital expenditures | 24,934 | 37,089 | 80,579 | 97,622 |
| Depreciation expense | 17,399 | 16,993 | 52,727 | 48,328 |
| Dividends | 5,622 | 6,049 | 17,280 | 17,130 |

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Consolidated Balance Sheets

| (In thousands) | <u>Feb. 27, 1999</u> | <u>May 30, 1998</u> |
|---|----------------------|---------------------|
| ASSETS | | |
| Current assets: | | |
| Cash and cash equivalents | \$ 36,012 | \$ 120,541 |
| Accounts receivable - net | 272,740 | 346,342 |
| Inventories | 261,689 | 214,347 |
| Other current assets | 118,828 | 67,432 |
| Total current assets | <u>689,269</u> | <u>748,662</u> |
| Property, plant and equipment - net | 432,894 | 425,153 |
| Deferred tax assets | 41,701 | 25,102 |
| Other long-term assets | 159,039 | 177,893 |
| Total assets | <u>\$ 1,322,903</u> | <u>\$ 1,376,810</u> |
| LIABILITIES AND SHAREHOLDERS' EQUITY | | |
| Current liabilities: | | |
| Short-term debt | \$ 138,223 | \$ 5,442 |
| Accounts payable | 218,155 | 209,411 |
| Accrued compensation | 110,468 | 119,842 |
| Deferred revenue | 18,598 | 15,102 |
| Total current liabilities | <u>485,444</u> | <u>349,797</u> |
| Long-term debt | 150,870 | 150,681 |
| Other long-term liabilities | 82,525 | 91,391 |
| Shareholders' equity: | | |
| Common stock | 139,924 | 223,527 |
| Retained earnings | 439,367 | 532,679 |
| Accumulated other comprehensive income | 24,773 | 28,735 |
| Total shareholders' equity | <u>604,064</u> | <u>784,941</u> |
| Total liabilities and shareholders' equity | <u>\$ 1,322,903</u> | <u>\$ 1,376,810</u> |
| Shares outstanding | 46,848 | 50,345 |
| Employees | 8,020 | 8,630 |