

TERADYNE, INC  
Form 10-Q  
August 12, 2011  
Table of Contents

**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**FORM 10-Q**

(Mark One)

**QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended July 3, 2011 July 3, 2011 1

OR

**TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from to

Commission File No. 001-06462

**TERADYNE, INC.**

(Exact name of registrant as specified in its charter)

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**Massachusetts**  
(State or Other Jurisdiction of

**04-2272148**  
(I.R.S. Employer

Incorporation or Organization)

Identification No.)

**600 Riverpark Drive, North Reading, Massachusetts**  
(Address of Principal Executive Offices)

**01864**  
(Zip Code)

**978-370-2700**

(Registrant's Telephone Number, Including Area Code)

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to the filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files) Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act (check one):

Large accelerated filer  Accelerated filer   
Non-accelerated filer  Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes  No

The number of shares outstanding of the registrant's only class of Common Stock as of August 8, 2011 was 186,184,101 shares.

**Table of Contents**

**TERADYNE, INC.**

**INDEX**

	<b>Page No.</b>
<b><u>PART I. FINANCIAL INFORMATION</u></b>	
Item 1.	<u>Financial Statements (unaudited):</u>
	<u>Condensed Consolidated Balance Sheets as of July 3, 2011 and December 31, 2010</u> 3
	<u>Condensed Consolidated Statements of Operations for the Three and Six Months Ended July 3, 2011 and July 4, 2010</u> 4
	<u>Condensed Consolidated Statements of Cash Flows for the Six Months Ended July 3, 2011 and July 4, 2010</u> 5
	<u>Notes to Condensed Consolidated Financial Statements</u> 6
Item 2.	<u>Management's Discussion and Analysis of Financial Condition and Results of Operations</u> 24
Item 3.	<u>Quantitative and Qualitative Disclosures about Market Risk</u> 37
Item 4.	<u>Controls and Procedures</u> 37
<b><u>PART II. OTHER INFORMATION</u></b>	
Item 1.	<u>Legal Proceedings</u> 38
Item 1A.	<u>Risk Factors</u> 38
Item 2.	<u>Unregistered Sales of Equity Securities and Use of Proceeds</u> 39
Item 6.	<u>Exhibits</u> 39

**Table of Contents****PART I****Item 1: Financial Statements****TERADYNE, INC.****CONDENSED CONSOLIDATED BALANCE SHEETS****(Unaudited)**

	<b>July 3, 2011</b>	<b>December 31, 2010</b>
	(in thousands,	
	except per share amounts)	
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 455,398	\$ 397,737
Marketable securities	453,942	409,061
Accounts receivable, net of allowance for doubtful accounts of \$4,097 and \$3,752 at July 3, 2011 and December 31, 2010, respectively	207,823	168,756
Inventories:		
Parts	90,964	78,109
Assemblies in process	21,039	16,013
Finished goods	29,515	22,719
	141,518	116,841
Deferred tax assets	22,801	22,730
Prepayments and other current assets	61,946	52,780
Current assets from discontinued operations		8,713
Total current assets	1,343,428	1,176,618
Property, plant and equipment, at cost	795,778	773,374
Less: accumulated depreciation	562,346	542,266
Net property, plant and equipment	233,432	231,108
Long-term marketable securities	281,978	248,696
Retirement plan assets	14,456	13,981
Intangible assets, net	108,357	122,941
Other assets	16,644	16,542
Long-term assets from discontinued operations		469
Total assets	\$ 1,998,295	\$ 1,810,355
<b>LIABILITIES</b>		
Current liabilities:		
Accounts payable	\$ 106,993	\$ 81,142
Accrued employees compensation and withholdings	75,018	105,374
Deferred revenue and customer advances	98,723	105,568
Other accrued liabilities	59,889	57,145
Accrued income taxes	9,888	8,465
Current debt	2,475	2,450
Current liabilities from discontinued operations		3,560
Total current liabilities	352,986	363,704
Long-term deferred revenue and customer advances	50,064	71,558

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Retirement plan liabilities	77,154	72,071
Deferred tax liabilities	9,973	9,849
Long-term other accrued liabilities	19,359	19,448
Long-term debt	154,821	150,182
Long-term liabilities of discontinued operations		1,355
Total liabilities	664,357	688,167

Commitments and contingencies (Note O)

**SHAREHOLDERS EQUITY**

Common stock, \$0.125 par value, 1,000,000 shares authorized, 186,002 shares and 182,035 shares issued and outstanding at July 3, 2011 and December 31, 2010, respectively	23,250	22,755
Additional paid-in capital	1,292,727	1,269,525
Accumulated other comprehensive loss	(124,094)	(128,216)
Retained earnings (accumulated deficit)	142,055	(41,876)
Total shareholders equity	1,333,938	1,122,188
Total liabilities and shareholders equity	\$ 1,998,295	\$ 1,810,355

The accompanying notes, together with the Notes to Consolidated Financial Statements included in Teradyne's Annual Report on Form 10-K for the year ended December 31, 2010, are an integral part of the condensed consolidated financial statements.

**Table of Contents****TERADYNE, INC.****CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS****(Unaudited)**

	For the Three Months Ended		For the Six Months Ended	
	July 3, 2011	July 4, 2010	July 3, 2011	July 4, 2010
	(in thousands, except per share amounts)			
Net revenues:				
Products	\$ 341,316	\$ 386,734	\$ 657,035	\$ 650,220
Services	69,203	58,537	130,645	114,389
Total net revenues	410,519	445,271	787,680	764,609
Cost of revenues:				
Cost of products	159,995	164,421	313,358	285,294
Cost of services	35,438	29,948	66,827	58,537
Total cost of revenues	195,433	194,369	380,185	343,831
Gross profit	215,086	250,902	407,495	420,778
Operating expenses:				
Engineering and development	47,393	49,341	95,370	97,278
Selling and administrative	57,481	57,730	115,710	112,417
Acquired intangible asset amortization	7,291	7,313	14,582	14,668
Restructuring and other, net	1,279	371	1,692	1,274
Total operating expenses	113,444	114,755	227,354	225,637
Income from operations	101,642	136,147	180,141	195,141
Interest income	1,403	3,681	2,690	4,523
Interest expense and other	(5,316)	(7,755)	(11,492)	(13,662)
Income from continuing operations before income taxes	97,729	132,073	171,339	186,002
Income tax provision	7,839	9,543	13,325	14,373
Income from continuing operations	89,890	122,530	158,014	171,629
(Loss) Income from discontinued operations before income taxes		(381)	1,278	620
Income tax benefit			(267)	
(Loss) Income from discontinued operations		(381)	1,545	620
(Loss) Gain on disposal of discontinued operations (net of income tax of \$0, \$0, \$4,578, \$0, respectively)	(832)		24,371	
Net income	\$ 89,058	\$ 122,149	\$ 183,930	\$ 172,249
Income per common share from continuing operations:				
Basic	\$ 0.48	\$ 0.68	\$ 0.85	\$ 0.97
Diluted	\$ 0.39	\$ 0.55	\$ 0.68	\$ 0.79

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Net income per common share:

Basic	\$	0.48	\$	0.68	\$	0.99
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