

TERADYNE, INC  
Form 10-Q  
November 14, 2011  
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**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 October 2, 2011

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 November 7, 2011 was 184,056,173 shares.

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

	October 2, 2011	December 31, 2010
	(in thousands,	
	except per share amounts)	
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 1,095,163	\$ 397,737
Marketable securities	96,536	409,061
Accounts receivable, net of allowance for doubtful accounts of \$4,106 and \$3,752 at October 2, 2011 and December 31, 2010, respectively	143,523	168,756
Inventories:		
Parts	91,934	78,109
Assemblies in process	23,403	16,013
Finished goods	18,002	22,719
	133,339	116,841
Deferred tax assets	23,176	22,730
Prepayments and other current assets	64,087	52,780
Current assets from discontinued operations		8,713
Total current assets	1,555,824	1,176,618
Property, plant and equipment, at cost	800,959	773,374
Less: accumulated depreciation	568,383	542,266
Net property, plant and equipment	232,576	231,108
Long-term marketable securities	40,712	248,696
Retirement plan assets	14,684	13,981
Intangible assets, net	101,604	122,941
Other assets	17,277	16,542
Long-term assets from discontinued operations		469
Total assets	\$ 1,962,677	\$ 1,810,355
<b>LIABILITIES</b>		
Current liabilities:		
Accounts payable	\$ 77,768	\$ 81,142
Accrued employees compensation and withholdings	75,495	105,374
Deferred revenue and customer advances	79,464	105,568
Other accrued liabilities	52,554	57,145
Accrued income taxes	5,135	8,465
Current debt	2,605	2,450
Current liabilities from discontinued operations		3,560
Total current liabilities	293,021	363,704
Long-term deferred revenue and customer advances	39,358	71,558

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Retirement plan liabilities	74,718	72,071
Deferred tax liabilities	9,946	9,849
Long-term other accrued liabilities	18,908	19,448
Long-term debt	156,839	150,182
Long-term liabilities of discontinued operations		1,355
Total liabilities	592,790	688,167

Commitments and contingencies (Note O)

**SHAREHOLDERS EQUITY**

Common stock, \$0.125 par value, 1,000,000 shares authorized, 184,122 shares and 182,035 shares issued and outstanding at October 2, 2011 and December 31, 2010, respectively	23,015	22,754
Additional paid-in capital	1,283,266	1,269,526
Accumulated other comprehensive loss	(122,925)	(128,216)
Retained earnings (accumulated deficit)	186,531	(41,876)
Total shareholders equity	1,369,887	1,122,188
Total liabilities and shareholders equity	\$ 1,962,677	\$ 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 Nine Months Ended	
	October 2, 2011	October 3, 2010	October 2, 2011	October 3, 2010
	(in thousands, except per share amounts)			
Net revenues:				
Products	\$ 274,944	\$ 432,030	\$ 931,979	\$ 1,082,250
Services	69,445	59,361	200,090	173,750
Total net revenues	344,389	491,391	1,132,069	1,256,000
Cost of revenues:				
Cost of products	138,617	188,758	451,975	474,052
Cost of services	35,927	30,834	102,754	89,371
Total cost of revenues	174,544	219,592	554,729	563,423
Gross profit	169,845	271,799	577,340	692,577
Operating expenses:				
Engineering and development	46,799	49,048	142,169	146,326
Selling and administrative	55,304	60,560	171,014	172,977
Acquired intangible asset amortization	6,754	7,291	21,336	21,959
Restructuring and other, net	1,465	(1,977)	3,157	(703)
Total operating expenses	110,322	114,922	337,676	340,559
Income from operations	59,523	156,877	239,664	352,018
Interest income	3,049	1,466	5,739	5,989
Interest expense and other	(6,068)	(6,033)	(17,560)	(19,695)
Income from continuing operations before income taxes	56,504	152,310	227,843	338,312
Income tax provision	1,759	6,606	15,084	20,909
Income from continuing operations	54,745	145,704	212,759	317,403
Income from discontinued operations before income taxes		1,706	1,278	2,326
Income tax provision (benefit)		70	(267)	140
Income from discontinued operations		1,636	1,545	2,186
Gain on disposal of discontinued operations (net of income tax of \$0, \$0, \$4,578, \$0, respectively)			24,371	
Net income	\$ 54,745	\$ 147,340	\$ 238,675	\$ 319,589
Income per common share from continuing operations:				
Basic	\$ 0.30	\$ 0.80	\$ 1.15	\$ 1.77
Diluted	\$ 0.25	\$ 0.65	\$ 0.93	\$ 1.44

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Net income per common share:

Basic	\$	0.30	\$
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