

Press Release

For Immediate Release

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RICHARDSON ELECTRONICS REPORTS SECOND QUARTER FISCAL 2014 RESULTS AND DECLARES QUARTERLY CASH DIVIDEND

LaFox, IL, January 8, 2014: Richardson Electronics, Ltd. (NASDAQ: RELL), today reported sales and earnings for its second quarter ended November 30, 2013. The Company also announced that its Board of Directors declared a \$0.06 per share quarterly cash dividend.

Net sales for the second quarter of fiscal 2014 were \$35.4 million, a 3.2% decrease compared to net sales of \$36.6 million in the prior year. Sales for the company's EDG business were flat while sales for Canvys were down 10.9%, compared to the prior year's quarter. Gross margin increased to \$11.0 million, or 31.1% of net sales during the second quarter of fiscal 2014, compared to \$10.7 million, or 29.3% of net sales during fiscal 2013. Operating expenses were \$10.5 million for the second quarter of fiscal 2014, compared to \$10.2 million for the second quarters of fiscal 2014 and 2013 remained flat at \$0.5 million.

Income from continuing operations for the second quarters of fiscal 2014 and 2013 was \$0.6 million, or \$0.04 per diluted common share.

"We remain committed to our strategy of building a strong platform for growth that allows us to leverage our global distribution network to drive profit improvement. While we see some economic improvements in China and Europe, we expect challenging conditions to continue so we will closely manage our expenses and working capital investment. Our balance sheet is strong which provides financial flexibility to invest in our growth initiatives, return capital to shareholders, and acquire businesses to diversify our portfolio," said Edward J. Richardson, Chairman, Chief Executive Officer and President.

"We believe our third quarter sales should be in the range of \$34 to \$36 million. Our goal is to build our business to achieve sustainable growth over the long term," said Mr. Richardson.

FINANCIAL SUMMARY - THREE MONTHS ENDED NOVEMBER 30, 2013

- Net sales for the second quarter of fiscal 2014 were \$35.4 million, down 3.2%, compared to net sales of \$36.6 million during the second quarter of fiscal 2013.
- Gross margin increased to 31.1% during the second quarter of fiscal 2014 compared to 29.3% during last year's second quarter.
- Selling, general, and administrative expenses increased slightly to \$10.5 million, or 29.6% of net sales for the second quarter of fiscal 2014 compared to \$10.2 million for the second quarter of fiscal 2013, or 27.9% of net sales.

- Operating income during the second quarter of fiscal 2014 and 2013 was \$0.5 million, or 1.5% and 1.4% of net sales, respectively.
- Income from continuing operations for during the second quarter of fiscal 2014 and fiscal 2013 was \$0.6 million, or \$0.04 per diluted common share.
- Loss from discontinued operations, net of tax, was \$0.1 million during the second quarter of fiscal 2014 compared to \$0.2 million during the second quarter of fiscal 2013.
- Net income during the second quarter of fiscal 2014 was \$0.5 million, or \$0.03 per diluted common share, compared to net income of \$0.4 million, or \$0.03 per diluted common share, during the second quarter of fiscal 2013, .

FINANCIAL SUMMARY - SIX MONTHS ENDED NOVEMBER 30, 2013

- Net sales for the first six months of fiscal 2014 were \$69.7 million, down 3.5%, compared to net sales of \$72.3 million during the first six months of fiscal 2013.
- Gross margin increased to 30.4% during the first six months of fiscal 2014 compared to 29.6% during the first six months of fiscal 2013.
- Selling, general, and administrative expenses slightly increased to \$20.5 million, or 29.5% of net sales, for the first six months of fiscal 2014 compared to \$20.4 million, or 28.2% of net sales, for the first six months of fiscal 2013.
- Operating income during the first six months of fiscal 2014 was \$0.7 million, or 0.9% of net sales, compared to an operating income of \$1.0 million, or 1.4% of net sales, during the first six months of fiscal 2013.
- Income from continuing operations during the first six months of fiscal 2014 was \$2.6 million, or \$0.18 per diluted common share, versus \$1.3 million, or \$0.08 per diluted common share, during the first six months of fiscal 2013.
- Loss from discontinued operations, net of tax, was \$0.1 million, during the first six months of fiscal 2014, compared to \$0.3 million during the first six months of fiscal 2013.
- Net income during the first six months of fiscal 2014 was \$2.5 million, or \$0.17 per diluted common share, compared to net income of \$1.0 million, or \$0.06 per diluted common share, during the first six months of fiscal 2013.

CASH DIVIDEND AND SHARE REPURCHASES

The Company also announced today that its Board of Directors declared a \$0.06 quarterly dividend per share to holders of common stock and a \$0.054 cash dividend per share to holders of Class B common stock. The dividend will be payable on February 21, 2014, to common stockholders of record on February 7, 2014.

"Cash and investments at the end of our second quarter were \$134.1 million. We used \$2.0 million to repurchase 0.2 million shares during the second quarter. As of today, the Company currently has 11.8 million outstanding shares of common stock and 2.2 million outstanding shares of Class B common stock. With our strong balance sheet, we are committed to returning value to our shareholders," said Mr. Richardson.

CONFERENCE CALL INFORMATION

On Thursday, January 9, 2014, at 9:00 a.m. CT, Edward J. Richardson, Chairman and Chief Executive Officer, and Kathleen S. Dvorak, Chief Financial Officer, will host a conference call to discuss the Company's second quarter results for fiscal 2014. A question and answer session will be included as part of the call's agenda. To listen to the call, please dial (888) 339-2688 and enter passcode 24209746 approximately five minutes prior to the start of the call. A replay of the call will be available beginning at 11:00 a.m. CT on January 9, 2014, for seven days. The telephone numbers for the replay are (USA) (888) 286-8010 and (International) (617) 801-6888; passcode 34766989.

FORWARD-LOOKING STATEMENTS

This release includes certain "forward-looking" statements as defined by the Securities and Exchange Commission. Statements in this press release regarding the Company's business which are not historical facts represent "forward-looking" statements that involve risks and uncertainties. For a discussion of such risks and uncertainties, which could cause actual results to differ from those contained in the forward-looking statements, see Item 1A, "Risk Factors" in the Company's Annual Report on Form 10-K filed on July 26, 2013. The Company assumes no responsibility to update the "forward-looking" statements in this release as a result of new information, future events, or otherwise.

ABOUT RICHARDSON ELECTRONICS, LTD.

Richardson Electronics, Ltd. is a leading global provider of engineered solutions, power grid and microwave tubes and related consumables, and customized display solutions serving customers in the alternative energy, aviation, broadcast, communications, industrial, marine, medical, military, scientific and semiconductor markets. The Company's strategy is to provide specialized technical expertise and "engineered solutions" based on our core engineering and manufacturing capabilities. The Company provides solutions and adds value through design-in support, systems integration, prototype design and manufacturing, testing, logistics, and aftermarket technical service and repair. More information is available online at www.rell.com.

Richardson Electronics common stock trades on the NASDAQ Global Select Market under the ticker symbol RELL.

Richardson Electronics, Ltd. Consolidated Balance Sheets

(in thousands, except per share amounts)

	U	naudited		Audited
	Nov	vember 30, 2013		June 1, 2013
Assets				
Current assets:				
Cash and cash equivalents	\$	92,646	\$	102,002
Accounts receivable, less allowance of \$1,167 and \$1,092		20,216		18,268
Inventories		35,296		33,975
Prepaid expenses and other assets		1,453		1,155
Deferred income taxes		1,983		1,856
Income tax receivable		3,321		6,429
Investments—current		39,508		38,971
Discontinued operations—assets		356		303
Total current assets		194,779		202,959
Non-current assets:				
Property, plant and equipment, net		5,935		5,073
Goodwill		1,633		1,519
Other intangibles		881		908
Non-current deferred income taxes		1,477		1,398
Investments—non-current		1,991		5,461
Total non-current assets		11,917	_	14,359
Total assets	\$	206,696	\$	217,318
Liabilities and Stockholders' Equity		<u> </u>		
Current liabilities:				
Accounts payable	\$	12,152	\$	14,255
Accrued liabilities	•	7,472	•	9,566
Discontinued operations—liabilities		´ —		245
Total current liabilities		19,624	_	24,066
Non-current liabilities:			_	
Long-term income tax liabilities		6,249		6,726
Other non-current liabilities		1,284		1,287
Total non-current liabilities		7,533	_	8,013
Total liabilities		27,157	_	32,079
Commitments and contingencies			_	-
Stockholders' equity				
Common stock, \$0.05 par value; issued 11,828 shares at November 30, 2013, and 12,263 shares at June 1, 2013		591		613
Class B common stock, convertible, \$0.05 par value; issued 2,191 shares at November 30, 2013 and 2,491 shares at June 1, 2013		110		125
Preferred stock, \$1.00 par value, no shares issued				
Additional paid-in-capital		65,760		73,979
Common stock in treasury, at cost, 0 shares at November 30, 2013, and 9 shares at June 1, 2013		_		(105)
Retained earnings		102,623		101,816
Accumulated other comprehensive income		10,455		8,811
Total stockholders' equity		179,539		185,239
Total liabilities and stockholders' equity	\$	206,696	\$	217,318
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Richardson Electronics, Ltd. Unaudited Consolidated Statements of Comprehensive Income

(in thousands, except per share amounts)

Name New Part 1 New Part 2 New Part 2 <th></th> <th></th> <th>Three Mor</th> <th>nths E</th> <th>nded</th> <th></th> <th>Six Mont</th> <th>hs En</th> <th>ded</th>			Three Mor	nths E	nded		Six Mont	hs En	ded
Cost of Sales 24,429 25,861 48,494 50,865 Gross profit 11,007 10,742 21,198 21,387 Caling peerral, and administrative expenses 10,273 20,22 20,524 20,377 Gainy loss on disposal of assets 2 3 2 2 2 2 Other (income) expenses: 3 12 2 2 2 Investment/interest income 2555 3525 3(52) 3(73) 3 Foreign exchange (gain) loss (14 297 2 2 Proceds from legal settlement 15 42 115 6(5) Other, net 15 42 115 6(5) Total other income 28 60 238 550 Income from continuing operations before income taxes 788 609 2,315 553 Income from continuing operations 6157 28 605 238 Income from discontinued operations and fact tax 1(10) 2(10) 1(10) 2(10) <th></th> <th>Nov</th> <th></th> <th>De</th> <th></th> <th>No</th> <th></th> <th>De</th> <th></th>		Nov		De		No		De	
Gross profit 11,007 10,742 21,199 21,388 Selling, general, and administrative expenses 10,473 10,228 20,542 20,377 Gain) loss on disposal of assets 534 512 657 1,013 Ober (income) expense: 834 512 657 1,013 Investment/interest income (255) (352) (520) 7,355 Foreign exchange (gain) loss (14) 297 92 260 Proceeds from legal settlement — — (2,115) — Other, net (125) (375) (255) (352) (500) Total other income (254) (97) (2,558) (540) Income from continuing operations before income taxes 788 609 3,215 1,553 Income from continuing operations 631 581 2,610 1,315 Loss from discontinued operations, net of tax (107) (203) (118 2,291 Foreign currency translation gain, net of tax 1,196 1,544 1,621	Net Sales	\$	35,436	\$	36,603	\$	69,693	\$	72,253
Selling, general, and administrative expenses 10,473 10,228 20,524 20,737 (Gain) Operating income 534 512 657 1,013 Other (income) expenses: "Total proceeds from legal settlement (255) (352) (520) 735 Foreign exchange (gain) loss (14) 297 92 260 Other, net 15 420 (15) 461 Other, net (254) 497 (2,588) 650 Total other income (254) 697 (2,588) 650 Income from continuing operations before income taxes 788 609 3,215 1,533 Income from continuing operations 631 281 2,610 1,315 Income from continuing operations net of tax 1,107 203 1,118 2,201 So from discontinued operations net of tax 1,119 3,472 3,413 3,297 Foreign currency translation gain, net of tax 1,196 3,473 3,413 3,297 Fair value adjustments on investments 2,0	Cost of Sales		24,429		25,861		48,494		50,865
Gain) loss on disposal of assets — 52 — (2) Operating income 534 512 567 1,013 Other (income) expenses: — — 3(352) 5(352) 5(352) 7(35) Foreign exchange (gain) loss (144) 297 92 260 Proceeds from legal settlement — — (2,115) — Other, net 15 4(24) (15) (65) Total other income 254 977 2,558 (540) Income from continuing operations before income taxes 788 609 3,215 1,553 Income from continuing operations 631 581 2,610 1,155 Income from continuing operations 631 581 2,610 1,1315 Loss from discontinued operations and to fax 1,107 2,033 1,022 1,025 Foreign currency translation gain, net of tax 1,196 1,547 1,621 1,947 Fair value adjustments on investments 2,005 3,003 3,003 <td< td=""><td>Gross profit</td><td></td><td>11,007</td><td></td><td>10,742</td><td></td><td>21,199</td><td></td><td>21,388</td></td<>	Gross profit		11,007		10,742		21,199		21,388
Operating income 534 512 657 1,013 Other (income) expense: Investment/interest income (255) (352) (520) (735) Foreign exchange (gain) loss (14) 297 92 260 Proceeds from legal settlement — (2,115) — Other, net 15 (42) (15) (50) Income from continuing operations before income taxes 788 609 3,215 1,530 Income from continuing operations 631 581 2,610 1,315 Income from continuing operations 631 581 2,610 1,315 Loss from discontinued operations, net of tax (107) (203) (118) 2,920 Net income 524 378 2,492 1,025 Foreign currency translation gain, net of tax 1,196 1,544 2,32 1,022 Foreign currency translation gain, net of tax 2,0 1,0 2,0 2,0 2,0 2,0 2,0 2,0 2,0 2,0 2,0 2,0 <td>Selling, general, and administrative expenses</td> <td></td> <td>10,473</td> <td></td> <td>10,228</td> <td></td> <td>20,542</td> <td></td> <td>20,377</td>	Selling, general, and administrative expenses		10,473		10,228		20,542		20,377
Note	(Gain) loss on disposal of assets				2				(2)
Investment/Interest income (255) (352) (520) (735) Foreign exchange (gain) loss (14) 297 92 260 Proceeds from legal settlement — — — — — (2115) — — (2115) — — (2015) — (65) — (2115) — (65) — (Operating income		534		512		657		1,013
Foreign exchange (gain) loss (14) 297 92 260 Proceeds from legal settlement — — (2,115) — Other, net 15 (42) (15) (65) Total other income (254) (97) (2,558) (560) Income from continuing operations before income taxes 788 609 3,215 1,553 Income from continuing operations 631 581 2,610 1,315 Loss from discontinued operations, net of tax (107) (203) (118) (290) Net income 524 378 2,492 1,925 Foreign currency translation gain, net of tax 1,196 1,547 1,621 1,947 Fair value adjustments on investments 22 4 23 5 Comprehensive income 3,1742 1,929 4,136 2,977 Etir come per Common share - Basic: 0,005 0,004 0,001 0,002 Total net income per Common share - Basic: 8,004 9,003 0,01 0,002	Other (income) expense:								
Proceeds from legal settlement — C, 2,115 — Other, net 15 (42) (15) (65) Total other income 254 (97) (2,58) (540) Income from continuing operations before income taxes 788 609 3,215 1,553 Income from continuing operations 631 581 2,610 1,315 Loss from discontinued operations, net of tax (107) (203) (118) (290) Net income 524 378 2,492 1,025 Foreign currency translation gain, net of tax 1,196 1,547 1,621 1,947 Fair value adjustments on investments 22 4 23 5 Comprehensive income \$1,742 \$1,929 \$1,942 2,977 Pair value adjustments on investments \$2,00 \$0,04 \$0,04 \$0,00 \$0,00 Comprehensive income \$1,942 \$1,943 \$1,947 \$0,00 \$0,00 \$0,00 \$0,00 \$0,00 \$0,00 \$0,00 \$0,00 \$0,00 <td>Investment/interest income</td> <td></td> <td>(255)</td> <td></td> <td>(352)</td> <td></td> <td>(520)</td> <td></td> <td>(735)</td>	Investment/interest income		(255)		(352)		(520)		(735)
Other, net 15 (42) (15) (65) Total other income (254) (97) (2,558) (540) Income from continuing operations before income taxes 788 609 3,215 1,553 Income from continuing operations 631 581 2,610 1,315 Loss from discontinued operations, net of tax (107) (203) (118) (290) Net income 524 378 2,492 1,025 Foreign currency translation gain, net of tax 1,196 1,547 1,621 1,947 Fair value adjustments on investments 2,2 4 2,3 5 Comprehensive income 8,1,742 1,925 4,136 2,977 Fair value adjustments on investments 2,0 1,929 4,136 2,977 Foreign currency translationg gain, net of tax 1,1947 1,621 1,947 Fair value adjustments on investments 2,0 1,929 4,136 2,977 Wet income per Common share - Basic: 8,0 0,0 9,0 9,0 <td< td=""><td>Foreign exchange (gain) loss</td><td></td><td>(14)</td><td></td><td>297</td><td></td><td>92</td><td></td><td>260</td></td<>	Foreign exchange (gain) loss		(14)		297		92		260
Total other income C254	Proceeds from legal settlement						(2,115)		
Income from continuing operations before income taxes 788 609 3,215 1,553 Income tax provision 157 28 605 238 Income from continuing operations 631 581 2,610 1,315 Loss from discontinued operations, net of tax (107) (203) (118) (290) Net income 524 378 2,492 1,025 Foreign currency translation gain, net of tax 1,196 1,547 1,621 1,947 Fair value adjustments on investments 22 4 23 5 Comprehensive income 51,742 51,929 54,136 52,977 Net income per Common share - Basic: 1,000 1,000 1,000 1,000 Income from continuing operations 0,001 0,001 0,002 Total net income per Common share - Basic: 1,000 1,000 1,000 Income from continuing operations 0,001 0,001 0,002 Net income per Class B common share - Basic: 1,000 0,001 0,001 0,002 Total net income per Class B common share - Basic: 1,000 0,001 0,001 0,002 Total net income per Class B common share - Basic: 1,000 0,001 0,001 0,002 Total net income per Class B common share - Basic: 1,000 0,001 0,001 0,002 Total net income per Class B common share - Basic: 1,000 0,001 0,001 0,002 Total net income per Class B common share - Basic: 1,000 0,001 0,001 0,002 Total net income per Class B common share - Diluted: 1,000 0,000 0,000 0,000 0,000 Total net income per Class B common share - Diluted: 1,000 0,00	Other, net		15		(42)		(15)		(65)
Income tax provision 157 28 605 238 1000m from continuing operations 631 581 2,610 1,315 1,000m from continuing operations, net of tax 1,107 2,003 2,118 2,000 2,000m from continuing operations 224 378 2,492 1,025 2,000m from continuing operations 22 4 23 5.5 2,000m from continuing operations 22 4 23 5.5 2,000m from continuing operations 2,000m from continuing	Total other income		(254)		(97)		(2,558)		(540)
Income tax provision 157 28 605 238 1000 100	Income from continuing operations before income taxes		788		609		3,215		1,553
Loss from discontinued operations, net of tax (107) (203) (118) (290) Net income 524 378 2,492 1,025 Foreign currency translation gain, net of tax 1,196 1,547 1,621 1,947 Fair value adjustments on investments 22 4 23 5 Comprehensive income 1,742 1,929 4,136 2,977 Net income per Common share - Basic: 0.005 0.04 0.19 0.09 Loss from discontinued operations (0.01) (0.01) (0.01) (0.02) Total net income per Common share - Basic: 0.04 0.03 0.01 0.02 Income from continuing operations 0.04 0.03 0.07 0.08 Loss from discontinued operations 0.04 0.03 0.01 0.02 Total net income per Class B common share - Basic: 0.03 0.02 0.06 0.06 Net income per Class B common share - Basic: 0.03 0.02 0.01 0.02 Total net income per Class B common share - Diluted: 0.03	Income tax provision		157		28		605		238
Net income 524 378 2,492 1,025 Foreign currency translation gain, net of tax 1,196 1,547 1,621 1,947 Fair value adjustments on investments 22 4 23 5 Comprehensive income \$ 1,742 \$ 1,929 \$ 4,136 \$ 2,977 Net income per Common share - Basic: 0.001 (0.01) (0.01) 0.02 Income from continuing operations (0.01) (0.01) (0.01) (0.02) Total net income per Common share - Basic: \$ 0.04 \$ 0.03 \$ 0.18 \$ 0.07 Net income per Class B common share - Basic: \$ 0.04 \$ 0.03 \$ 0.17 \$ 0.08 Loss from discontinued operations \$ 0.04 \$ 0.03 \$ 0.17 \$ 0.08 Loss from discontinued operations \$ 0.03 \$ 0.01 \$ 0.00 Net income per Class B common share - Diluted: \$ 0.03 \$ 0.04 \$ 0.18 \$ 0.08 Income from continuing operations \$ 0.04 \$ 0.04 \$ 0.18 \$ 0.08 Net income per Class B common share - Diluted: \$ 0.			631		581		2,610		1,315
Net income 524 378 2,492 1,025 Foreign currency translation gain, net of tax 1,196 1,547 1,621 1,947 Fair value adjustments on investments 22 4 23 5 Comprehensive income 5,1742 1,929 4,136 2,977 Net income per Common share - Basic: 0.005 0.04 0.019 0.09 Loss from discontinued operations (0.01) (0.01) (0.01) (0.02) Total net income per Common share - Basic: 8 0.04 0.03 0.08 0.07 Net income per Class B common share - Basic: 8 0.04 0.03 0.01 0.02 Total net income per Class B common share - Basic: 0.00 0.01 0.01 0.02 Total net income per Class B common share - Basic: 9 0.03 9 0.16 9.06 Net income per Common share - Diluted: 9 0.03 9 0.16 9.06 Total net income per Class B common share - Diluted: 9 0.03 0.01 9.01 9.06			(107)		(203)		(118)		(290)
Fair value adjustments on investments 22 4 23 5 Comprehensive income 1,742 1,929 4,136 2,977 Net income per Common share - Basic:	Net income		524				2,492		
Comprehensive income \$ 1,742 \$ 1,929 \$ 4,136 \$ 2,977 Net income per Common share - Basic:	Foreign currency translation gain, net of tax		1,196		1,547		1,621		1,947
Net income per Common share - Basic:	Fair value adjustments on investments		22		4		23		5
Income from continuing operations	Comprehensive income	\$	1,742	\$	1,929	\$	4,136	\$	2,977
Loss from discontinued operations (0.01) (0.01) (0.02) Total net income per Common share - Basic: \$ 0.04 \$ 0.03 \$ 0.18 \$ 0.07 Net income per Class B common share - Basic: \$ 0.04 \$ 0.03 \$ 0.17 \$ 0.08 Loss from discontinued operations (0.01) (0.01) (0.01) (0.02) Total net income per Class B common share - Basic: \$ 0.03 \$ 0.02 \$ 0.16 \$ 0.06 Net income per Common share - Diluted: \$ 0.03 \$ 0.04 \$ 0.18 \$ 0.06 Net income per Common share - Diluted: \$ 0.04 \$ 0.04 \$ 0.18 \$ 0.08 Loss from discontinued operations (0.01) (0.01) (0.01) (0.02) Total net income per Class B common share - Diluted: \$ 0.03 \$ 0.03 \$ 0.17 \$ 0.06 Net income per Class B common share - Diluted: \$ 0.04 \$ 0.03 \$ 0.17 \$ 0.06 Net income per Class B common share - Diluted: \$ 0.04 \$ 0.03 \$ 0.17 \$ 0.06 Net income per Class B common share - Diluted: \$ 0.04 \$ 0.03 \$ 0.16	Net income per Common share - Basic:								
Total net income per Common share - Basic: \$ 0.04 \$ 0.03 \$ 0.18 \$ 0.07 Net income per Class B common share - Basic: \$ 0.04 \$ 0.03 \$ 0.17 \$ 0.08 Loss from discontinued operations (0.01) (0.01) (0.01) (0.02) Total net income per Class B common share - Basic: \$ 0.03 \$ 0.02 \$ 0.06 \$ 0.06 Net income per Common share - Diluted: \$ 0.04 \$ 0.04 \$ 0.18 \$ 0.08 Loss from discontinued operations (0.01) (0.01) (0.01) (0.01) (0.02) Total net income per Common share - Diluted: \$ 0.03 \$ 0.03 \$ 0.17 \$ 0.08 Net income from continuing operations \$ 0.03 \$ 0.03 \$ 0.17 \$ 0.08 Loss from discontinued operations \$ 0.04 \$ 0.03 \$ 0.17 \$ 0.08 Loss from discontinued operations \$ 0.04 \$ 0.03 \$ 0.17 \$ 0.08 Loss from discontinued operations \$ 0.03 \$ 0.02 \$ 0.16 \$ 0.06 Weighted average number of shares: \$ 0.03 \$ 0.22 \$ 0.16	Income from continuing operations	\$	0.05	\$	0.04	\$	0.19	\$	0.09
Net income per Class B common share - Basic:	Loss from discontinued operations		(0.01)		(0.01)		(0.01)		(0.02)
Income from continuing operations \$ 0.04 \$ 0.03 \$ 0.17 \$ 0.08	Total net income per Common share - Basic:	\$	0.04	\$	0.03	\$	0.18	\$	0.07
Loss from discontinued operations (0.01) (0.01) (0.01) (0.02)	Net income per Class B common share - Basic:								
Total net income per Class B common share - Basic: \$ 0.03 \$ 0.02 \$ 0.16 \$ 0.06 Net income per Common share - Diluted: Income from continuing operations \$ 0.04 \$ 0.04 \$ 0.18 \$ 0.08 Loss from discontinued operations (0.01) (0.01) (0.01) (0.01) (0.02) Total net income per Class B common share - Diluted: Income from continuing operations \$ 0.04 \$ 0.03 \$ 0.17 \$ 0.08 Loss from discontinued operations (0.01) (0.01) (0.01) (0.01) (0.01) (0.02) Total net income per Class B common share - Diluted: \$ 0.03 \$ 0.02 \$ 0.16 \$ 0.06 Weighted average number of shares: \$ 0.03 \$ 0.02 \$ 0.16 \$ 0.06 Weighted average number of shares: \$ 0.03 \$ 0.22 \$ 0.16 \$ 0.06 Class B common shares - Basic \$ 11,871 12,437 11,997 12,604 Class B common shares - Diluted \$ 2,191 2,812 2,309 2,863 Class B common shares - Diluted \$ 0.060 \$ 0.060 \$ 0	Income from continuing operations	\$	0.04	\$	0.03	\$	0.17	\$	0.08
Net income per Common share - Diluted: Income from continuing operations	Loss from discontinued operations		(0.01)		(0.01)		(0.01)		(0.02)
Income from continuing operations	Total net income per Class B common share - Basic:	\$	0.03	\$	0.02	\$	0.16	\$	0.06
Loss from discontinued operations (0.01) (0.01) (0.01) (0.02) Total net income per Common share - Diluted: \$ 0.03 0.03 0.17 0.06 Net income per Class B common share - Diluted: \$ 0.04 0.03 0.17 0.08 Loss from discontinued operations (0.01) (0.01) (0.01) (0.02) Total net income per Class B common share - Diluted: \$ 0.03 0.02 0.16 0.06 Weighted average number of shares: \$ 0.03 0.02 0.16 0.06 Class B common shares - Basic 11,871 12,437 11,997 12,604 Class B common shares - Diluted 2,191 2,812 2,309 2,863 Common shares - Diluted 14,185 15,345 14,433 15,567 Class B common shares - Diluted 2,191 2,812 2,309 2,863 Dividends per common share \$ 0.060 0.060 0.120 0.120	Net income per Common share - Diluted:								
Total net income per Common share - Diluted: \$ 0.03 \$ 0.03 \$ 0.17 \$ 0.06 Net income per Class B common share - Diluted: Income from continuing operations \$ 0.04 \$ 0.03 \$ 0.17 \$ 0.08 Loss from discontinued operations (0.01) (0.01) (0.01) (0.02) Total net income per Class B common share - Diluted: \$ 0.03 \$ 0.02 \$ 0.16 \$ 0.06 Weighted average number of shares: Common shares - Basic 11,871 12,437 11,997 12,604 Class B common shares - Basic 2,191 2,812 2,309 2,863 Common shares - Diluted 14,185 15,345 14,433 15,567 Class B common shares - Diluted 2,191 2,812 2,309 2,863 Dividends per common share \$ 0.060 \$ 0.060 \$ 0.120 \$ 0.120	Income from continuing operations	\$	0.04	\$	0.04	\$	0.18	\$	0.08
Net income per Class B common share - Diluted: Substitution Substitut	Loss from discontinued operations		(0.01)		(0.01)		(0.01)		(0.02)
Income from continuing operations \$ 0.04 \$ 0.03 \$ 0.17 \$ 0.08 Loss from discontinued operations (0.01) (0.01) (0.01) (0.01) (0.02) Total net income per Class B common share - Diluted: \$ 0.03 \$ 0.02 \$ 0.16 \$ 0.06 Weighted average number of shares: Common shares - Basic 11,871 12,437 11,997 12,604 Class B common shares - Basic 2,191 2,812 2,309 2,863 Common shares - Diluted 14,185 15,345 14,433 15,567 Class B common shares - Diluted 2,191 2,812 2,309 2,863 Dividends per common share \$ 0.060 \$ 0.060 \$ 0.120 \$ 0.120	Total net income per Common share - Diluted:	\$	0.03	\$	0.03	\$	0.17	\$	0.06
Loss from discontinued operations (0.01) (0.01) (0.01) (0.02) Total net income per Class B common share - Diluted: \$ 0.03 \$ 0.02 \$ 0.16 \$ 0.06 Weighted average number of shares: Total net income per Class B common shares - Basic 11,871 12,437 11,997 12,604 Class B common shares - Basic 2,191 2,812 2,309 2,863 Common shares - Diluted 14,185 15,345 14,433 15,567 Class B common shares - Diluted 2,191 2,812 2,309 2,863 Dividends per common share \$ 0.060 \$ 0.060 0.120 0.120	Net income per Class B common share - Diluted:								
Total net income per Class B common share - Diluted: \$ 0.03 \$ 0.02 \$ 0.16 \$ 0.06 Weighted average number of shares:	Income from continuing operations	\$	0.04	\$	0.03	\$	0.17	\$	0.08
Weighted average number of shares: Common shares - Basic 11,871 12,437 11,997 12,604 Class B common shares - Basic 2,191 2,812 2,309 2,863 Common shares - Diluted 14,185 15,345 14,433 15,567 Class B common shares - Diluted 2,191 2,812 2,309 2,863 Dividends per common share \$ 0.060 \$ 0.060 \$ 0.120 \$ 0.120	Loss from discontinued operations		(0.01)		(0.01)		(0.01)		(0.02)
Common shares - Basic 11,871 12,437 11,997 12,604 Class B common shares - Basic 2,191 2,812 2,309 2,863 Common shares - Diluted 14,185 15,345 14,433 15,567 Class B common shares - Diluted 2,191 2,812 2,309 2,863 Dividends per common share \$ 0.060 \$ 0.060 \$ 0.120 \$ 0.120	Total net income per Class B common share - Diluted:	\$	0.03	\$	0.02	\$	0.16	\$	0.06
Class B common shares - Basic 2,191 2,812 2,309 2,863 Common shares - Diluted 14,185 15,345 14,433 15,567 Class B common shares - Diluted 2,191 2,812 2,309 2,863 Dividends per common share \$ 0.060 \$ 0.060 \$ 0.120 \$ 0.120	Weighted average number of shares:								
Common shares - Diluted 14,185 15,345 14,433 15,567 Class B common shares - Diluted 2,191 2,812 2,309 2,863 Dividends per common share \$ 0.060 \$ 0.060 \$ 0.120 \$ 0.120	Common shares - Basic		11,871		12,437		11,997		12,604
Class B common shares - Diluted 2,191 2,812 2,309 2,863 Dividends per common share \$ 0.060 \$ 0.060 \$ 0.120 \$ 0.120	Class B common shares - Basic		2,191		2,812		2,309		2,863
Dividends per common share \$ 0.060 \$ 0.060 \$ 0.120 \$ 0.120	Common shares - Diluted		14,185		15,345		14,433		15,567
•	Class B common shares - Diluted		2,191		2,812		2,309		2,863
Dividends per Class B common share \$ 0.054 \$ 0.054 \$ 0.108 \$ 0.108	Dividends per common share	\$	0.060	\$	0.060	\$	0.120	\$	0.120
	Dividends per Class B common share	\$	0.054	\$	0.054	\$	0.108	\$	0.108

Richardson Electronics, Ltd. Unaudited Consolidated Statements of Cash Flows

(in thousands)

	Three Months Ended		Six Months Ended			
	November 30, 2013	December 1, 2012	November 30, 2013	December 1, 2012		
Operating activities:						
Net income	524	378	2,492	1,025		
Adjustments to reconcile net income to cash provided by (used in) operating activities:						
Depreciation and amortization	273	266	521	565		
Gain on sale of investments	(12)	(1)	(19)	(21)		
(Gain) loss on disposal of assets		2		(2)		
Share-based compensation expense	270	208	384	332		
Deferred income taxes	(108)	(7)	(167)	(8)		
Change in assets and liabilities, net of effect of acquired businesses:						
Accounts receivable	(508)	(758)	(1,726)	(1,404)		
Income tax receivable	357	36	3,108	191		
Inventories	310	2,265	(140)	1,715		
Prepaid expenses and other assets	(430)	196	(274)	(426)		
Accounts payable	317	2,664	(2,230)	1,234		
Accrued liabilities	(565)	806	(2,455)	(200)		
Long-term income tax liabilities	(235)	4	(477)	(317)		
Other	56	148	47	190		
Net cash provided by (used in) operating activities	249	6,207	(936)	2,874		
Investing activities:						
Cash consideration paid for acquired businesses		(2,557)	(973)	(2,557)		
Capital expenditures	(540)	(478)	(981)	(557)		
Proceeds from sale of assets				4		
Proceeds from maturity of investments	14,044	39,763	54,532	97,510		
Purchases of investments	(11,458)	(23,838)	(51,552)	(75,562)		
Proceeds from sales of available-for-sale securities	20	83	76	137		
Purchases of available-for-sale securities	(20)	(83)	(76)	(137)		
Other	22	_	91			
Net cash provided by investing activities	2,068	12,890	1,117	18,838		
Financing activities:						
Repurchase of common stock	(2,025)	(5,998)	(8,725)	(11,550)		
Proceeds from issuance of common stock	100	72	171	83		
Cash dividends paid	(828)	(1,799)	(1,685)	(1,799)		
Other	_		1	_		
Net cash used in financing activities	(2,753)	(7,725)	(10,238)	(13,266)		
Effect of exchange rate changes on cash and cash equivalents	552	908	701	1,179		
Increase/ (decrease) in cash and cash equivalents	116	12,280	(9,356)	9,625		
Cash and cash equivalents at beginning of period	92,530	41,238	102,002	43,893		
Cash and cash equivalents at end of period	\$ 92,646	\$ 53,518	\$ 92,646	\$ 53,518		
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Richardson Electronics, Ltd. Net Sales and Gross Profit

For the Second Quarter and First Six Months of Fiscal 2014 and Fiscal 2013

(in thousands)

By Strategic Business Unit:

Net Sales	QTD		QTD	
	FY 2014		FY 2013	% Change
EDG	\$ 26,163		\$ 26,186	(0.1)%
Canvys	9,273		10,417	(11.0)%
Total	\$ 35,436		\$ 36,603	(3.2)%
	YTD		YTD	
	FY 2014		FY 2013	% Change
EDG	\$ 51,642		\$ 51,813	(0.3)%
Canvys	18,051		20,440	(11.7)%
Total	\$ 69,693		\$ 72,253	(3.5)%
Gross Profit	QTD		QTD	
Gross Profit	QTD FY 2014	% of Net Sales	QTD FY 2013	% of Net Sales
Gross Profit EDG	\$ -	% of Net Sales 32.5%	\$	% of Net Sales 30.3%
	\$ FY 2014		\$ FY 2013	
EDG	\$ FY 2014 8,507	32.5%	\$ FY 2013 7,930	30.3%
EDG Canvys	 FY 2014 8,507 2,500	32.5% 27.0%	 FY 2013 7,930 2,812	30.3% 27.0%
EDG Canvys	 8,507 2,500 11,007	32.5% 27.0%	 7,930 2,812 10,742	30.3% 27.0%
EDG Canvys	 8,507 2,500 11,007 YTD	32.5% 27.0% 31.1%	 7,930 2,812 10,742 YTD	30.3% 27.0% 29.3%
EDG Canvys Total	\$ 8,507 2,500 11,007 YTD FY 2014	32.5% 27.0% 31.1% % of Net Sales	\$ 7,930 2,812 10,742 YTD FY 2013	30.3% 27.0% 29.3% % of Net Sales