FORM 10-Q

Quarterly report pursuant to sections 13 or 15(d)

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RICHARDSON ELECTRONICS LTD/DE

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Mailing Address
40W267 KESLINGER ROAD
P.O. BOX 393
LAFOX IL 60147

Business Address
40W267 KESLINGER RD
PO BOX 393
LAFOX IL 60147
630 208-2200

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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 December 1, 2012

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 Number: 0-12906

RICHARDSON ELECTRONICS, LTD.
(Exact name of registrant as specified in its charter)

Delaware	**36-2096643**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**
40W267 Keslinger Road, P.O. Box 393	**LaFox, Illinois 60147-0393**

(Address of principal executive offices)

Registrant's telephone number, including area code: (630) 208-2200

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 such 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	☐ (Do not check if a smaller reporting company)	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

As of January 7, 2013, there were outstanding 12,293,532 shares of Common Stock, $0.05 par value and 2,739,569 shares of Class B Common Stock, $0.05 par value, which are convertible into Common Stock of the registrant on a share for share basis.

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PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

Richardson Electronics, Ltd.
Consolidated Balance Sheets
(in thousands, except per share amounts)

	Unaudited December 1, 2012	Audited June 2, 2012
Assets		
Current assets:		
Cash and cash equivalents	$53,518	$43,893
Accounts receivable, less allowance of $1,047 and $1,058	21,706	19,727
Inventories	35,252	34,675
Prepaid expenses and other assets	1,287	806
Deferred income taxes	2,029	2,095
Income tax receivable	6,381	6,572
Investments - current	86,395	105,009
Discontinued operations - assets	248	514
Total current assets	206,816	213,291
Non-current assets:		
Property, plant and equipment, net	4,438	4,375
Goodwill	2,269	1,261
Other intangibles	272	355
Non-current deferred income taxes	1,474	1,458
Investments - non-current	7,380	10,683
Total non-current assets	15,833	18,132
Total assets	$222,649	$231,423
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	$13,960	$12,611
Accrued liabilities	8,302	8,466
Discontinued operations - liabilities	418	253
Total current liabilities	22,680	21,330
Non-current liabilities:		
Long-term income tax liabilities	6,947	7,306
Other non-current liabilities	1,385	1,213
Discontinued operations - non-current liabilities	1,380	1,361
Total non-current liabilities	9,712	9,880
Total liabilities	32,392	31,210
Commitments and contingencies	–	–
Stockholders' equity		
Common stock, $0.05 par value; issued 12,284 shares at December 1, 2012, and 13,074 shares at June 2, 2012	611	654

Class B common stock, convertible, $0.05 par value; issued 2,740 shares at December 1, 2012 and 2,920 shares at June 2, 2012	141	146
Preferred stock, $1.00 par value, no shares issued	–	–
Additional paid-in-capital	76,914	88,217
Common stock in treasury, at cost, -0- shares at December 1, 2012, and 18 shares at June 2, 2012	–	(216)
Retained earnings	103,366	104,139
Accumulated other comprehensive income	9,225	7,273
Total stockholders' equity	190,257	200,213
Total liabilities and stockholders' equity	$222,649	$231,423

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Richardson Electronics, Ltd.

Unaudited Consolidated Statements of Comprehensive Income (Loss)

(in thousands, except per share amounts)

	Three Months Ended		Six Months Ended	
	December 1, 2012	December 3, 2011	December 1, 2012	December 3, 2011
Net sales	$ 36,603	$ 39,138	$ 72,253	$ 80,649
Cost of sales	25,861	27,448	50,865	56,257
Gross profit	**10,742**	**11,690**	**21,388**	**24,392**
Selling, general, and administrative expenses	10,228	9,973	20,377	20,745
(Gain) loss on disposal of assets	2	–	(2)	(70)
Operating income	**512**	**1,717**	**1,013**	**3,717**
Other (income) expense:				
Investment/interest income	(352)	(281)	(735)	(645)
Foreign exchange (gain) loss	297	(486)	260	295
Other, net	(42)	19	(65)	(2)
Total other income	(97)	(748)	(540)	(352)
Income from continuing operations before income taxes	609	2,465	1,553	4,069
Income tax provision	28	836	238	1,411
Income from continuing operations	581	1,629	1,315	2,658
Income (loss) from discontinued operations, net of tax	(203)	(799)	(290)	1,803
Net income	**378**	**830**	**$ 1,025**	**$ 4,461**
Foreign currency translation gain (loss), net of tax	1,547	(2,573)	1,947	(1,205)
Fair value adjustments on investments	4	(3)	5	(51)
Comprehensive income (loss)	**$ 1,929**	**$ (1,746)**	**$ 2,977**	**$ 3,205**
Net income per Common share–Basic:				
Income from continuing operations	$ 0.04	$ 0.10	$ 0.09	$ 0.16
Income (loss) from discontinued operations	(0.01)	(0.05)	(0.02)	0.11
Total net income per Common share–Basic:	**$ 0.03**	**$ 0.05**	**$ 0.07**	**$ 0.27**
Net income per Class B common share–Basic:				
Income from continuing operations	$ 0.03	$ 0.09	$ 0.08	$ 0.14
Income (loss) from discontinued operations	(0.01)	(0.04)	(0.02)	0.10
Total net income per Class B common share–Basic:	**$ 0.02**	**$ 0.05**	**$ 0.06**	**$ 0.24**
Net income per Common share–Diluted:				
Income from continuing operations	$ 0.04	$ 0.09	$ 0.08	$ 0.15
Income (loss) from discontinued operations	(0.01)	(0.05)	(0.02)	0.10
Total net income per Common share–Diluted:	**$ 0.03**	**$ 0.04**	**$ 0.06**	**$ 0.25**
Net income per Class B common share–Diluted:				
Income from continuing operations	$ 0.03	$ 0.09	$ 0.08	$ 0.14
Income (loss) from discontinued operations	(0.01)	(0.04)	(0.02)	0.10
Total net income per Class B common share–Diluted:	**$ 0.02**	**$ 0.05**	**$ 0.06**	**$ 0.24**
Weighted average number of shares:				
Common shares–Basic	12,437	14,069	12,604	14,206
Class B common shares–Basic	2,812	2,940	2,863	2,946

Common shares−Diluted	15,345	17,161	15,567	17,319
Class B common shares−Diluted	2,812	2,940	2,863	2,946
Dividends per common share	$ 0.060	$ 0.050	$ 0.120	$ 0.100
Dividends per Class B common share	$ 0.054	$ 0.045	$ 0.108	$ 0.090

Richardson Electronics, Ltd.

Unaudited Consolidated Statements of Cash Flows

(in thousands)

	Three Months Ended		Six Months Ended	
	December 1, 2012	December 3, 2011	December 1, 2012	December 3, 2011
Operating activities:				
Net income	$378	$830	$1,025	$4,461
Adjustments to reconcile net income to cash provided by (used in) operating activities:				
Depreciation and amortization	266	280	565	564
(Gain) loss on sale of investments	(1)	11	(21)	1
(Gain) loss on disposal of assets	2	–	(2)	–
Stock compensation expense	208	107	332	262
Change in assets and liabilities, net of effects of acquired businesses:				
Deferred income taxes	(7)	(3,514)	(8)	1,815
Accounts receivable	(758)	161	(1,404)	(64)
Income tax receivable	36	2,686	191	(5,584)
Inventories	2,265	(1,978)	1,715	(5,592)
Prepaid expenses and other assets	196	5,631	(426)	8,426
Accounts payable	2,664	(503)	1,234	(3,084)
Accrued liabilities	806	(9,230)	(200)	(42,866)
Long-term income tax liabilities	4	4,396	(317)	(7,015)
Other	148	1,744	190	1,678
Net cash provided by (used in) operating activities	6,207	621	2,874	(46,998)
Investing activities:				
Cash consideration paid for acquired businesses	(2,557)	(2,297)	(2,557)	(2,297)
Capital expenditures	(478)	–	(557)	(74)
Proceeds from sale of assets	–	–	4	16
Proceeds from maturity of investments	39,763	64,849	97,510	202,382
Purchases of investments	(23,838)	(68,878)	(75,562)	(285,162)
Proceeds from sales of available-for-sale securities	83	58	137	121
Purchases of available-for-sale securities	(83)	(58)	(137)	(121)
Other	–	3	–	51
Net cash provided by (used in) investing activities	12,890	(6,323)	18,838	(85,084)
Financing activities:				
Repurchase of common stock	(5,998)	(4,197)	(11,550)	(11,888)
Proceeds from issuance of common stock	72	275	83	362
Cash dividends paid	(1,799)	(832)	(1,799)	(1,678)
Other	–	(4)	–	3
Net cash used in financing activities	(7,725)	(4,758)	(13,266)	(13,201)
Effect of exchange rate changes on cash and cash equivalents	908	(1,594)	1,179	(510)
Increase/ (decrease) in cash and cash equivalents	12,280	(12,054)	9,625	(145,793)
Cash and cash equivalents at beginning of period	41,238	37,236	43,893	170,975
Cash and cash equivalents at end of period	$53,518	$25,182	$53,518	$25,182

Richardson Electronics, Ltd.

Unaudited Consolidated Statement of Stockholders' Equity

(in thousands)

	Common	Class B Common	Par Value	Additional Paid In Capital	Common Stock in Treasury	Retained Earnings	Accumulated Other Comprehensive Income (loss)	Total
Balance June 2, 2012:	13,074	2,920	$800	$88,217	$(216)	$104,139	$ 7,273	$200,213
Net income	–	–	–	–	–	1,025	–	1,025
Foreign currency translation	–	–	–	–	–	–	1,947	1,947
Fair value adjustments on investments	–	–	–	–	–	–	5	5
Share-based compensation:								
Stock options	–	–	–	332	–	–	–	332
Common stock:								
Options exercised	13	–	1	81	–	–	–	82
Cancelled shares	–	(105)	–	–	–	–	–	–
Repurchase of common stock	–	–	–	–	(11,549)	–	–	(11,549)
Treasury stock	(908)	(75)	(49)	(11,717)	11,766			–
Other	105	–	–	1	(1)	1	–	1
Dividends paid								
Common ($0.12 per share)	–	–	–	–	–	(1,495)	–	(1,495)
Class B ($0.108 per share)	–	–	–	–	–	(304)	–	(304)
Balance December 1, 2012:	12,284	2,740	$752	$76,914	$–	$103,366	$ 9,225	$190,257

RICHARDSON ELECTRONICS, LTD.
NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

1. DESCRIPTION OF THE COMPANY

Richardson Electronics, Ltd. ("we", "us", "the Company", and "our") is incorporated in the state of Delaware. We are a leading global provider of engineered solutions, power grid and microwave tubes and related components, and customized display solutions, serving customers in the alternative energy, aviation, broadcast, communications, industrial, marine, medical, military, scientific, and semiconductor markets. Our strategy is to provide specialized technical expertise and "engineered solutions" based on our core engineering and manufacturing capabilities. We provide solutions and add value through design-in support, systems integration, prototype design and manufacturing, testing, logistics, and aftermarket technical service and repair.

Our products include electron tubes and related components, microwave generators, subsystems used in semiconductor manufacturing, and visual technology solutions. These products are used to control, switch or amplify electrical power signals, or are used as display devices in a variety of industrial, commercial, medical, and communication applications.

On March 1, 2011, we completed the sale of the assets primarily used or held for use in, and certain liabilities of, our RF, Wireless and Power Division ("RFPD"), as well as certain other Company assets, including our information technology assets, to Arrow Electronics, Inc. ("Arrow") in exchange for $238.8 million, which included an estimated pre-closing working capital adjustment of approximately $27.0 million ("the Transaction.") During the fourth quarter of fiscal 2011, we recorded a working capital adjustment of $4.2 million in our results from discontinued operations. During the second quarter of fiscal 2012, we paid Arrow $3.9 million to settle the agreed upon working capital adjustment.

On September 5, 2011, we acquired the assets of Powerlink Specialist Electronics Support Limited ("Powerlink") for approximately $2.3 million, including a working capital adjustment of $0.2 million related to payables of approximately $0.2 million that were paid by Powerlink prior to the close. Powerlink, a UK-based technical service company with locations in London and Dubai, services traveling wave tube ("TWT") amplifiers and related equipment for the Satellite Communications market throughout Europe and the Middle East. This acquisition positions us to provide cost-effective service of microwave and power grid tube equipment for communications, industrial, military, and medical users around the world.

On September 4, 2012, we acquired the assets of D and C Import-Export, Inc. ("D and C") for approximately $2.6 million. D and C, a Florida-based distributor of power grid tubes and associated RF components, services the commercial, broadcast, medical, industrial, scientific, and military markets. This acquisition provides us with access to additional product lines, vendors, and customers.

We have two operating segments, which we define as follows:

Electron Device Group ("EDG") provides engineered solutions and distributes electronic components to customers in alternative energy, aviation, broadcast, communications, industrial, marine, medical, military, scientific, and semiconductor markets. EDG focuses on various applications including broadcast transmission, CO_2 laser cutting, diagnostic imaging, dielectric and induction heating, high energy transfer, high voltage switching, plasma, power conversion, radar, and radiation oncology. EDG also offers its customers technical services for both microwave and industrial equipment.

Canvys provides global customized display solutions serving the corporate enterprise, financial, healthcare, industrial, and medical original equipment manufacturer ("OEM") markets.

We currently have operations in the following major geographic regions:

North America;

Asia/Pacific;

Europe; and

Latin America.

2. BASIS OF PRESENTATION

The accompanying unaudited consolidated financial statements have been prepared in accordance with United States Generally Accepted Accounting Principles ("GAAP") for interim financial information and the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all the information and notes required by GAAP for complete financial statements.

Our fiscal quarter ends on the Saturday nearest the end of the quarter-ending month. The first six months of fiscal 2013 and 2012 contained 26 and 27 weeks, respectively.

In the opinion of management, all adjustments, which are of a normal and recurring nature, necessary for a fair presentation of the results of interim periods have been made. All inter-company transactions and balances have been eliminated. The unaudited consolidated financial statements presented herein include the accounts of our wholly owned subsidiaries. The results of our operations for the three and six months ended December 1, 2012, are not necessarily indicative of the results that may be expected for the fiscal year ending June 1, 2013.

The financial information contained in this report should be read in conjunction with our Annual Report on Form 10-K for the fiscal year ended June 2, 2012, that we filed on July 27, 2012.

3. UPDATES TO CRITICAL ACCOUNTING POLICIES AND ESTIMATES

Inventories: Our worldwide inventories are stated at the lower of cost or market, generally using a weighted-average cost method. Our inventories included approximately $32.7 million of finished goods and $2.6 million of raw materials and work-in-progress as of December 1, 2012, as compared to approximately $31.8 million of finished goods and $2.9 million of raw materials and work-in-progress as of June 2, 2012.

At this time, we do not anticipate any material risks or uncertainties related to possible future inventory write-downs.

Revenue Recognition: Our product sales are recognized as revenue upon shipment, when title passes to the customer, when delivery has occurred or services have been rendered, and when collectability is reasonably assured. We also record estimated discounts and returns based on our historical experience. Our products are often manufactured to meet the specific design needs of our customers' applications. Our engineers work closely with customers to ensure that our products will meet their needs. Our customers are under no obligation to compensate us for designing the products we sell.

In the limited cases where remaining obligations exist after delivery of the product, the obligation relative to the unit of accounting is inconsequential or perfunctory. This conclusion was reached based on the following facts: the timing of any remaining obligation is agreed upon with the customer, which in most cases, is performed immediately after the delivery of the product; the cost and time involved to complete the remaining obligation is minimal, and the costs and time do not vary significantly; we have a demonstrated history of completing the remaining obligations timely; and finally, failure to complete the remaining obligation does not enable the customer to receive a full or partial refund of the product or service.

Discontinued Operations: In accordance with Accounting Standards Codification ("ASC") 205-20, *Presentation of Financial Statements- Discontinued Operations* ("ASC 205-20"), we reported the financial results of RFPD as a discontinued operation. Refer to Note 4 "Discontinued Operations" of our notes to our unaudited consolidated financial statements for additional discussion on the sale of RFPD.

Loss Contingencies: We accrue a liability for loss contingencies when it is probable that a liability has been incurred and the amount can be reasonably estimated. When only a range of possible loss can be established, the most probable amount in the range is accrued. If no amount within this range is a better estimate than any other amount within the range, the minimum amount in the range is accrued. If we determine that there is at least a reasonable possibility that a loss may have been incurred, we will include a disclosure describing the contingency.

Goodwill and Other Intangible Assets: Goodwill is initially recorded based on the premium paid for acquisitions and is subsequently tested for impairment. We test goodwill for impairment annually and whenever events or circumstances indicate an impairment may have occurred, such as a significant adverse change in the business climate, loss of key personnel or a decision to sell or dispose of a reporting unit. As of December 1, 2012, our goodwill balance was $2.3 million and represents the premium we paid for Powerlink of $1.4 million during the second quarter of fiscal 2012, adjusted for foreign currency translation, and the premium we paid for D and C of $0.9 million during our second quarter of fiscal 2013.

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During the fourth quarter of each fiscal year, our goodwill balances are reviewed for impairment using the last day of our third quarter as the measurement date. In accordance with ASC 350 *"Intangibles–Goodwill and Other"* ("ASC 350"), if indicators of impairment are deemed to be present, we would perform an interim impairment test and any resulting impairment loss would be charged to expense in the period identified.

During the fourth quarter of fiscal 2012, we adopted Accounting Standards Update ("ASU") 2011-08 which allows a company the option to perform a qualitative evaluation about the likelihood of goodwill impairment to determine whether it must then calculate the fair value of an operating segment. We applied this qualitative approach to our EDG operating segment and concluded that indications of impairment were not present as of June 2, 2012. The qualitative factors considered included macroeconomic conditions, industry and market considerations, cost factors, overall financial performance, and other relevant entity or reporting unit specific events.

Intangible assets are initially recorded at their fair market values determined on quoted market prices in active markets, if available, or recognized valuation models. Intangible assets that have finite useful lives are amortized on a straight-line basis over their useful lives.

Our intangible assets represent the fair value that we determined for customer relationships acquired in connection with the acquisition of Powerlink during the second quarter of our fiscal year 2012. The fair value was based upon discounted cash flows that the customer relationships are expected to generate over the next twenty years.

4. DISCONTINUED OPERATIONS

Arrow Transaction

On March 1, 2011, we completed the sale of the assets primarily used or held for use in, and certain liabilities of, our RF, Wireless and Power Division ("RFPD"), as well as certain other Company assets, including our information technology assets, to Arrow Electronics, Inc. ("Arrow") in exchange for $238.8 million, which included an estimated pre-closing working capital adjustment of approximately $27.0 million ("the Transaction.") During the fourth quarter of fiscal 2011, we recorded a working capital adjustment of $4.2 million in our results from discontinued operations. During the second quarter of fiscal 2012, we paid Arrow $3.9 million to settle the working capital adjustment.

Financial Summary – Discontinued Operations

Summary financial results for the three and six months ended December 1, 2012, and December 3, 2011, are presented in the following table (*in thousands*):

	Three Months		Six Months	
	Dec 1, 2012	Dec 3, 2011	Dec 1, 2012	Dec 3, 2011
Net sales	$ 278	$ 816	$ 499	$ 1,691
Gross profit (loss)	(128)	(105)	(221)	(374)
Selling, general, and administrative expenses	201	29	266	(448)
Other (income) expense	1	–	1	–
Additonal gain on sale	–	–	–	(266)
Income tax provision (benefit)	(127)	665	(198)	(1,463)
Income (loss) from discontinued operations, net of tax	$ (203)	$ (799)	$ (290)	$ 1,803

Net sales and gross profit (loss) for the three and six months ended December 1, 2012, reflect our financial results relating to the Manufacturing Agreement with Arrow that we entered into in connection with the Transaction. Pursuant to the three-year agreement, we agreed to continue to manufacture certain RFPD products for Arrow. During the first quarter ended September 3, 2011, in connection with an examination by the Internal Revenue Service, we reduced our deferred tax liability by $2.1 million related to our un-repatriated foreign earnings based on a determination of the earnings and profits that would remain in certain foreign subsidiaries after the Arrow transaction.

Assets and liabilities classified as discontinued operations on our unaudited consolidated balance sheets as of December 1, 2012, and June 2, 2012, include the following (*in thousands*):

	Dec 1, 2012	Jun 2, 2012
Inventories	$ 248	$ 503
Prepaid expenses and other assets	–	11
Discontinued operations–Assets	**$ 248**	**$ 514**
Accrued liabilities–current (1)	$ 418	$ 253
Long-term income tax liabilities (2)	1,380	1,361
Discontinued operations–Liabilities	**$ 1,798**	**$ 1,614**

(1) *Included in accrued liabilities as of December 1, 2012, is a payable to Arrow for transition services of $ 1.8 million, offset by a receivable due to us from Arrow for transition services of $1.4 million.*

(2) *Included in long-term income tax liabilites as of December 1, 2012, is the reserve for uncertain tax positions.*

In accordance with ASC 230, *Statement of Cash Flows,* entities are permitted but not required to separately disclose, either in the statement of cash flows or footnotes to the financial statements, cash flows pertaining to discontinued operations. Entities that do not present separate operating cash flows information related to discontinued operations must do so consistently for all periods presented, which may include periods long after the sale or liquidation of the operation. Cash flows related to our discontinued operations are not material.

5. ACQUISITIONS

On September 5, 2011, we acquired the assets of Powerlink Specialist Electronics Support Limited ("Powerlink") for approximately $2.3 million, including a working capital adjustment of $0.2 million related to payables of approximately $0.2 million that were paid by Powerlink prior to the close. Powerlink, a UK-based technical service company with locations in London and Dubai, services traveling wave tube ("TWT") amplifiers and related equipment for the Satellite Communications market throughout Europe and the Middle East. This acquisition positions us to provide cost-effective service of microwave and power grid tube equipment for communications, industrial, military and medical users around the world.

The allocation of the final purchase price, recorded during the second quarter of fiscal 2012, included $0.4 million of trade receivables, $0.2 million of inventory, $0.4 million of other intangibles, and $1.4 million of goodwill. The goodwill represents the excess of purchase price over the fair market value of the identifiable net assets we acquired. Pro forma financial information is not presented due to immateriality.

On September 4, 2012, we acquired the assets of D and C Import-Export, Inc. ("D and C") for approximately $2.6 million. D and C, a Florida-based distributor of power grid tubes and associated RF components, services the commercial, broadcast, medical, industrial, scientific, and military markets. This acquisition provides us with access to additional product lines, vendors, and customers.

The allocation of the final purchase price, recorded during the second quarter of fiscal 2013, included $0.2 million of trade receivables, $1.5 million of inventory, and $0.9 million of goodwill. The purchase price is preliminary and subject to change based on the completion of a valuation of the respective assets and liabilities. Pro forma financial information is not presented due to immateriality.

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6. GOODWILL AND OTHER INTANGIBLE ASSETS

Goodwill is initially recorded based on the premium paid for acquisitions and is subsequently tested for impairment. We test goodwill for impairment annually and whenever events or circumstances indicates an impairment may be occurred, such as a significant adverse change in the business climate, loss of key personnel, or a decision to sell or dispose of a reporting unit. As of December 1, 2012, our goodwill balance was $2.3 million and represents the premium we paid for Powerlink of $1.4 million during our second quarter of fiscal 2012, adjusted for foreign currency translation, and the premium we paid for D and C of $0.9 million during our second quarter of fiscal 2013.

During the fourth quarter of each fiscal year, our goodwill balances are reviewed for impairment using the last day of our third quarter as the measurement date. In accordance with ASC 350, if indicators of impairment are deemed to be present, we would perform an interim impairment test and any resulting impairment loss would be charged to expense in the period identified.

Changes in the carrying value of goodwill are as follows *(in thousands)*:

	Powerlink	D and C	TOTAL
Balance at June 2, 2012	**$ 1,261**	**$ –**	**$ 1,261**
Premium Paid for D and C Acquisition	–	911	911
Foreign currency translation	97	–	97
Balance at December 1, 2012	**$ 1,358**	**$ 911**	**$ 2,269**

Intangible assets are initially recorded at their fair market values determined on quoted market prices in active markets, if available, or recognized valuation models. Intangible assets that have finite useful lives are amortized on a straight-line basis over their useful lives.

Our intangible assets represent the fair value for customer relationships acquired in connection with the acquisition of Powerlink during the second quarter of our fiscal year 2012.

Intangible assets subject to amortization as well as amortization expense are as follows *(in thousands)*:

	Intangible Assets Subject to Amortization as of	
	Dec 1, 2012	**June 2, 2012**
Gross Amounts:		
Customer Relationship	$ 335	$ 363
Foreign currency translation	(4)	–
Total Gross Amounts	$ 331	$ 363
Accumulated Amortization:		
Customer Relationship	$ 59	$ 8
Total Accumulated Amortization	$ 59	$ 8

The amortization expense associated with the intangible assets subject to amortization for the next five years is presented in the following table (in thousands):

Fiscal Year	Amortization Expense
Remaining fiscal 2013	$ 21
2014	$ 36
2015	$ 31
2016	$ 27
2017	$ 17
Thereafter	$ 140

The weighted average number of years of amortization expense remaining is 13.97.

7. INVESTMENTS

As of December 1, 2012, we had approximately $93.4 million invested in time deposits and certificate of deposits ("CD"). Of this, $86.4 million mature in less than twelve months and $7.0 million mature in greater than twelve months. The fair value of these investments is equal to the face value of each time deposit and CD.

We also have investments in equity securities, all of which are classified as available-for-sale and are carried at their fair value based on quoted market prices. Our investments, which are included in non-current assets, had a carrying amount of $0.4 million as of December 1, 2012, and as of June 2, 2012. Proceeds from the sale of securities were $0.1 million during the second quarter and first six months of fiscal 2013 and during the first six months of fiscal 2012, and less than $0.1 million during the second quarter of fiscal 2012. We reinvested proceeds from the sale of securities, and the cost of the equity securities sold was based on a specific identification method. Gross realized gains and losses on those sales were less than $0.1 million during the second quarter and first six months of fiscal 2013 and fiscal 2012. Net unrealized holding losses of less than $0.1 million during the second quarter and first six months of fiscal 2013 and fiscal 2012, have been included in accumulated other comprehensive income.

8. WARRANTIES

We offer warranties for the limited number of specific products we manufacture. We also provide extended warranties for some products we sell that lengthen the period of coverage specified in the manufacturer' s original warranty. Our warranty terms generally range from one to three years.

Warranty reserves are established for costs that are expected to be incurred after the sale and delivery of products under warranty. Warranty reserves are included in accrued liabilities on our consolidated balance sheets. The warranty reserves are determined based on known product failures, historical experience, and other available evidence. Warranty reserves were approximately $0.2 million as of December 1, 2012, and $0.1 million as of June 2, 2012.

9. LEASE OBLIGATIONS, OTHER COMMITMENTS, AND CONTINGENCIES

We lease certain warehouse and office facilities and office equipment under non-cancelable operating leases. Rent expense from continuing operations during the first six months of fiscal 2013 was $0.7 million. Under the terms of the Transaction, Arrow assumed many of our facility leases and we are sub-leasing space from Arrow. Our future minimum lease commitments, including common area maintenance charges and property taxes during the remainder of fiscal 2013 and the next four years have been adjusted to reflect the Transaction as follows *(in thousands)* :

Fiscal Year	Payments
Remaining Fiscal 2013	$ 575
2014	$ 717

2015	$ 661
2016	$ 396
2017	$ 22
Thereafter	$ –
Total	**$ 2,371**

10. INCOME TAXES

The effective income tax rate from continuing operations during the first six months of fiscal 2013 was 15.3% as compared to 34.7% during the first six months of fiscal 2012. The decrease in rate during the first six months of fiscal 2013, as compared to fiscal 2012, was due to the decrease in available cash in foreign jurisdictions to distribute unremitted foreign earnings with respect to ASC 740-30, *Income Taxes – Other Considerations or Special Areas.* The effective rate as compared to the federal statutory rate of 34.0% resulted from our geographical distribution of taxable income or losses, apportionment of income to various states, in addition to our position with respect to ASC 740-30, *Income Taxes – Other Considerations or Special Areas*.

In the normal course of business, we are subject to examination by taxing authorities throughout the world. We are no longer subject to either U.S. federal, state or local, or non-U.S. tax examinations by tax authorities for years prior to fiscal 2004. Currently, we are under federal audit in the U.S. for fiscal year 2011. Based on the recent commencement of the audit, no tax matters have arisen that would result in material adjustments. Our primary foreign tax jurisdictions are Germany and the Netherlands. We have tax years open in Germany and the Netherlands beginning in fiscal 2007.

As of December 1, 2012, $46.7 million of cumulative positive earnings of some of our foreign subsidiaries are still considered permanently reinvested pursuant to ASC 740-30, *Income Taxes-Other Considerations or Special Areas*. It is not practical to determine what, if any, tax liability might exist if such earnings were to be repatriated.

As of December 1, 2012, our worldwide liability for uncertain tax positions related to continuing operations, excluding interest and penalties, was $0.4 million as compared to $0.5 million as of June 2, 2012. We record penalties and interest relating to uncertain tax positions in the income tax expense line item within the unaudited consolidated statements of income and comprehensive income.

It is reasonably possible that there will be a change in the unrecognized tax benefits related to continuing operations, excluding interest and penalties, in the range of $0 to approximately $0.03 million due to the expiration of various statutes of limitations within the next 12 months.

11. CALCULATION OF EARNINGS PER SHARE

We have authorized 30,000,000 shares of common stock, 10,000,000 shares of Class B common stock, and 5,000,000 shares of preferred stock. The Class B common stock has 10 votes per share and has transferability restrictions; however, Class B common stock may be converted into common stock on a share-for-share basis at any time. With respect to dividends and distributions, shares of common stock and Class B common stock rank equally and have the same rights, except that Class B common stock cash dividends are limited to 90% of the amount of Class A common stock cash dividends.

In accordance with ASC 260-10, *Earnings Per Share* ("ASC 260"), our Class B common stock is considered a participating security requiring the use of the two-class method for the computation of basic and diluted earnings per share. The two-class computation method for each period reflects the cash dividends paid per share for each class of stock, plus the amount of allocated undistributed earnings per share computed using the participation percentage which reflects the dividend rights of each class of stock. Basic and diluted earnings per share were computed using the two-class method as prescribed in ASC 260. The shares of Class B common stock are considered to be participating convertible securities since the shares of Class B common stock are convertible on a share-for-share basis into shares of common stock and may participate in dividends with common stock according to a predetermined formula which is 90% of the amount of Class A common stock cash dividends.

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The earnings per share ("EPS") presented in our unaudited consolidated statements of comprehensive income (loss) are based on the following amounts (*in thousands, except per share amounts*):

	Three Months Ended			
	December 1, 2012		December 3, 2011	
	Basic	Diluted	Basic	Diluted
Numerator for Basic and Diluted EPS:				
Income from continuing operations	$581	$581	$1,629	$1,629
Less dividends:				
Common stock	737	737	699	699
Class B common stock	148	148	133	133
Undistributed earnings (losses)	$(304)	$(304)	$797	$797
Common stock undistributed earnings (losses)	$(253)	$(253)	$671	$672
Class B common stock undistributed earnings (losses)	(51)	(51)	126	125
Total undistributed earnings (losses)	$(304)	$(304)	$797	$797
Income (loss) from discontinued operations	$(203)	$(203)	$(799)	$(799)
Less dividends:				
Common stock	737	737	699	699
Class B common stock	148	148	133	133
Undistributed earnings (losses)	$(1,088)	$(1,088)	$(1,631)	$(1,631)
Common stock undistributed earnings (losses)	$(904)	$(905)	$(1,373)	$(1,375)
Class B common stock undistributed earnings (losses)	(184)	(183)	(258)	(256)
Total undistributed earnings (losses)	$(1,088)	$(1,088)	$(1,631)	$(1,631)
Net income	$378	$378	$830	$830
Less dividends:				
Common stock	737	737	699	699
Class B common stock	148	148	133	133
Undistributed earnings (losses)	$(507)	$(507)	$(2)	$(2)
Common stock undistributed earnings (losses)	$(421)	$(422)	$(2)	$(2)
Class B common stock undistributed earnings (losses)	(86)	(85)	–	–
Total undistributed earnings (losses)	$(507)	$(507)	$(2)	$(2)
Denominator for basic and diluted EPS:				
Common stock weighted average shares	12,437	12,437	14,069	14,069
Class B common stock weighted average shares, and shares under if-converted method for diluted EPS	2,812	2,812	2,940	2,940
Effect of dilutive securities Dilutive stock options		96		152
Denominator for diluted EPS adjusted for weighted average shares and assumed conversions		15,345		17,161
Income from continuing operations per share:				
Common stock	$0.04	$0.04	$0.10	$0.09
Class B common stock	$0.03	$0.03	$0.09	$0.09
Income (loss) from discontinued operations per share:				
Common stock	$(0.01)	$(0.01)	$(0.05)	$(0.05)

Class B common stock	$(0.01)	$(0.01)	$(0.04)	$(0.04)
Net income per share:				
Common stock	$0.03	$0.03	$0.05	$0.04
Class B common stock	$0.02	$0.02	$0.05	$0.05

Note: Common stock options that were anti-dilutive and not included in diluted earnings per common share for the second quarter of fiscal 2013 and fiscal 2012 were 477,064 and 183,500, respectively.

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	Six Months Ended			
	December 1, 2012		December 3, 2011	
	Basic	Diluted	Basic	Diluted
Numerator for Basic and Diluted EPS:				
Income from continuing operations	$1,315	$1,315	$2,658	$2,658
Less dividends:				
Common stock	1,495	1,495	1,413	1,413
Class B common stock	304	304	265	265
Undistributed earnings (losses)	$(484)	$(484)	$980	$980
Common stock undistributed earnings (losses)	$(402)	$(402)	$826	$827
Class B common stock undistributed earnings (losses)	(82)	(82)	154	153
Total undistributed earnings (losses)	$(484)	$(484)	$980	$980
Income (loss) from discontinued operations	$(290)	$(290)	$1,803	$1,803
Less dividends:				
Common stock	1,495	1,495	1,413	1,413
Class B common stock	304	304	265	265
Undistributed earnings (losses)	$(2,089)	$(2,089)	$125	$125
Common stock undistributed earnings (losses)	$(1,734)	$(1,737)	$105	$106
Class B common stock undistributed earnings (losses)	(355)	(352)	20	19
Total undistributed earnings (losses)	$(2,089)	$(2,089)	$125	$125
Net income	$1,025	$1,025	$4,461	$4,461
Less dividends:				
Common stock	1,495	1,495	1,413	1,413
Class B common stock	304	304	265	265
Undistributed earnings (losses)	$(774)	$(774)	$2,783	$2,783
Common stock undistributed earnings (losses)	$(643)	$(643)	$2,345	$2,350
Class B common stock undistributed earnings (losses)	(131)	(131)	438	433
Total undistributed earnings (losses)	$(774)	$(774)	$2,783	$2,783
Denominator for basic and diluted EPS:				
Common stock weighted average shares	12,604	12,604	14,206	14,206
Class B common stock weighted average shares,and shares under if-converted method for diluted EPS	2,863	2,863	2,946	2,946
Effect of dilutive securities Dilutive stock options		100		167
Denominator for diluted EPS adjusted for weighted average shares and assumed conversions		15,567		17,319
Income from continuing operations per share:				
Common stock	$0.09	$0.08	$0.16	$0.15
Class B common stock	$0.08	$0.08	$0.14	$0.14
Income (loss) from discontinued operations per share:				
Common stock	$(0.02)	$(0.02)	$0.11	$0.10
Class B common stock	$(0.02)	$(0.02)	$0.10	$0.10
Net income per share:				

Common stock	$0.07	$0.06	$0.27	$0.25
Class B common stock	$0.06	$0.06	$0.24	$0.24

Note: Common stock options that were anti-dilutive and not included in diluted earnings per common share for the first six months of fiscal 2013 and fiscal 2012 were 267,564 and 25,000, respectively.

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12. SEGMENT REPORTING

In accordance with ASC 280-10, *Segment Reporting*, we have two reportable segments: EDG and Canvys.

EDG provides engineered solutions and distributes electronic components to customers in alternative energy, aviation, broadcast, communications, industrial, marine, medical, military, scientific, and semiconductor markets. EDG focuses on various applications including broadcast transmission, CO_2 laser cutting, diagnostic imaging, dielectric and induction heating, high energy transfer, high voltage switching, plasma, power conversion, radar, and radiation oncology. EDG also offers its customers technical services for both microwave and industrial equipment.

Canvys provides global customized display solutions serving the corporate enterprise, financial, healthcare, industrial, and medical original equipment manufacturer ("OEM") markets.

The CEO evaluates performance and allocates resources primarily based on the gross profit of each segment.

Operating results by segment are summarized in the following table (*in thousands*):

	Three Months Ended		Six Months Ended	
	December 1, 2012	December 3, 2011	December 1, 2012	December 3, 2011
EDG				
Net Sales	$ 26,186	$ 28,022	$ 51,813	$ 58,751
Gross Profit	$ 7,930	$ 8,546	$ 15,930	$ 18,217
Canvys				
Net Sales	$ 10,417	$ 11,116	$ 20,440	$ 21,898
Gross Profit	$ 2,812	$ 3,144	$ 5,458	$ 6,175

A reconciliation of assets to the relevant consolidated amount is as follows (*in thousands*):

	December 1, 2012	June 2, 2012
Segment assets	$57,255	$54,768
Cash	53,518	43,893
Investments−current	86,395	105,009
Other current assets (1)	11,941	10,723
Net property	4,438	4,375
Investments−non-current	7,380	10,683
Other assets (2)	1,474	1,458
Assets of discontinued operations (3)	248	514
Total assets	$222,649	$231,423

(1) *Other current assets include miscellaneous receivables, prepaid expenses, and current deferred income taxes.*

(2) *Other assets primarily include non-current deferred income taxes.*

(3) *See Footnote 4−Discontinued Operations.*

Geographic net sales information is primarily grouped by customer destination into five areas: North America; Asia/Pacific; Europe; Latin America; and Other.

Net sales and gross profit by geographic region are summarized in the following table (*in thousands*):

	Three Months Ended		Six Months Ended	
	December 1, 2012	December 3, 2011	December 1, 2012	December 3, 2011
Net Sales				
North America	$ 16,436	$ 16,850	$ 32,182	$ 33,403
Asia/Pacific	5,437	6,159	11,784	14,052
Europe	12,305	12,564	23,042	26,122
Latin America	2,320	2,282	4,767	5,113
Other	105	1,283	478	1,959
Total	$ 36,603	$ 39,138	$ 72,253	$ 80,649
Gross Profit				
North America	$ 5,520	$ 5,303	$ 10,809	$ 10,666
Asia/Pacific	1,860	2,277	4,054	4,937
Europe	3,806	3,962	7,030	8,347
Latin America	788	855	1,616	1,917
Other	(1,232)	(707)	(2,121)	(1,475)
Total	$ 10,742	$ 11,690	$ 21,388	$ 24,392

We sell our products to customers in diversified industries and perform periodic credit evaluations of our customers' financial condition. Terms are generally on open account, payable net 30 days in North America, and vary throughout Asia/Pacific, Europe, and Latin America. Estimates of credit losses are recorded in the financial statements based on monthly reviews of outstanding accounts. *Other* primarily includes net sales not allocated to a specific geographical region, unabsorbed value-add costs, and other unallocated expenses.

13. LITIGATION

We are involved in several pending judicial proceedings concerning matters arising in the ordinary course of business. While the outcome of litigation is subject to uncertainties, based on information available at the time the financial statements were issued, we determined disclosure of contingencies relating to any of our pending judicial proceedings was not necessary because there was less than a reasonable possibility that a material loss had been incurred.

14. FAIR VALUE MEASUREMENTS

ASC 820, *Fair Value Measurements and Disclosures* ("ASC 820"), defines fair value, establishes a framework for measuring fair value in accordance with accounting principles generally accepted in the United States, and expands disclosures about fair value measurements.

ASC 820 establishes a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value. These tiers include: Level 1, defined as observable inputs such as quoted prices in active markets; Level 2, defined as inputs other than quoted prices in active markets that are either directly or indirectly observable; and Level 3, defined as unobservable inputs in which little or no market data exists; therefore requiring an entity to develop its own assumptions.

As of December 1, 2012, we held investments that are required to be measured at fair value on a recurring basis. Our investments consist of time deposits and CDs, where face value is equal to fair value, and equity securities of publicly traded companies for which market prices are readily available.

Investments measured at fair value on a recurring basis subject to the disclosure requirements of ASC 820 as of December 1, 2012, and June 2, 2012, were as follows (*in thousands*):

	Level 1	Level 2	Level 3
December 1, 2012			
Time deposits/CDs	$93,369	$ –	$ –
Equity securities	406	–	–
Total	**$93,775**	**$ –**	**$ –**
June 2, 2012			
Time deposits/CDs	$115,318	$ –	$ –
Equity securities	374	–	–
Total	**$115,692**	**$ –**	**$ –**

ITEM 2. MANAGEMENT' S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Certain statements in this report may constitute "forward-looking" statements within the meaning of the Private Securities Litigation Reform Act of 1995. The terms "may," "should," "could," "anticipate," "believe," "continues," "estimate," "expect," "intend," "objective," "plan," "potential," "project" and similar expressions are intended to identify forward-looking statements. These statements are not guarantees of future performance and involve risks, uncertainties and assumptions that are difficult to predict. These statements are based on management' s current expectations, intentions or beliefs and are subject to a number of factors, assumptions and uncertainties that could cause actual results to differ materially from those described in the forward-looking statements. Factors that could cause or contribute to such differences or that might otherwise impact the business include the risk factors set forth in Item 1A, of our Annual Report on Form 10-K filed on July 27, 2012, and in the Company' s Proxy Statement on Schedule 14A filed on August 30, 2012. We undertake no obligation to update any such factor or to publicly announce the results of any revisions to any forward-looking statements contained herein whether as a result of new information, future events or otherwise.

In addition, while we do, from time to time, communicate with securities analysts, it is against our policy to disclose to them any material non-public information or other confidential commercial information. Accordingly, stockholders should not assume that we agree with any statement or report issued by any analyst irrespective of the content of the statement or report. Thus, to the extent that reports issued by securities analysts contain any projections, forecasts, or opinions, such reports are not our responsibility.

INTRODUCTION

Management' s Discussion and Analysis of Financial Condition and Results of Operations ("MD&A") is intended to assist the reader in better understanding our business, results of operations, financial condition, changes in financial condition, critical accounting policies and estimates, and significant developments. MD&A is provided as a supplement to, and should be read in conjunction with, our unaudited consolidated financial statements and the accompanying notes thereto appearing elsewhere herein. This section is organized as follows:

Business Overview

Results of Operations – an analysis and comparison of our consolidated results of operations for the three and six months ended December 1, 2012, and December 3, 2011, as reflected in our unaudited consolidated statements of comprehensive income (loss.)

Liquidity, Financial Position, and Capital Resources – a discussion of our primary sources and uses of cash for the six months ended December 1, 2012, and December 3, 2011, and a discussion of changes in our financial position.

BUSINESS OVERVIEW

Richardson Electronics, Ltd. ("we", "us", "the Company", and "our") is incorporated in the state of Delaware. We are a leading global provider of engineered solutions, power grid and microwave tubes and related components, and customized display solutions, serving customers in the alternative energy, aviation, broadcast, communications, industrial, marine, medical, military, scientific, and semiconductor markets. Our strategy is to provide specialized technical expertise and "engineered solutions" based on our core engineering and manufacturing capabilities. We provide solutions and add value through design-in support, systems integration, prototype design and manufacturing, testing, logistics, and aftermarket technical service and repair.

Our products include electron tubes and related components, microwave generators, subsystems used in semiconductor manufacturing, and visual technology solutions. These products are used to control, switch or amplify electrical power signals, or used as display devices in a variety of industrial, commercial, medical, and communication applications.

On March 1, 2011, we completed the sale of the assets primarily used or held for use in, and certain liabilities of, our RF, Wireless and Power Division ("RFPD"), as well as certain other Company assets, including our information technology assets, to Arrow Electronics, Inc. ("Arrow") in exchange for $238.8 million, which included an estimated pre-closing working capital adjustment of approximately $27.0 million ("the Transaction.") During the fourth quarter of fiscal 2011, we recorded a working capital adjustment of $4.2 million in our results from discontinued operations. During the second quarter of fiscal 2012, we paid Arrow $3.9 million to settle the agreed upon working capital adjustment.

On September 5, 2011, we acquired the assets of Powerlink Specialist Electronics Support Limited ("Powerlink") for approximately $2.3 million, including a working capital adjustment of $0.2 million related to payables of approximately $0.2 million that were paid by Powerlink prior to the close. Powerlink, a UK-based technical service company with locations in London and Dubai, services traveling wave tube ("TWT") amplifiers and related equipment for the Satellite Communications market throughout Europe and the Middle East. This acquisition positions us to provide cost-effective service of microwave and power grid tube equipment for communications, industrial, military, and medical users around the world.

On September 4, 2012, we acquired the assets of D and C Import-Export, Inc. ("D and C") for approximately $2.6 million. D and C, a Florida-based distributor of power grid tubes and associated RF components, services the commercial, broadcast, medical, industrial, scientific, and military markets. This acquisition provides us with access to additional product lines, vendors, and customers.

We have two operating segments, which we define as follows:

Electron Device Group ("EDG") provides engineered solutions and distributes electronic components to customers in alternative energy, aviation, broadcast, communications, industrial, marine, medical, military, scientific, and semiconductor markets. EDG focuses on various applications including broadcast transmission, CO_2 laser cutting, diagnostic imaging, dielectric and induction heating, high energy transfer, high voltage switching, plasma, power conversion, radar, and radiation oncology. EDG also offers its customers technical services for both microwave and industrial equipment.

Canvys provides global customized display solutions serving the corporate enterprise, financial, healthcare, industrial, and medical original equipment manufacturer ("OEM") markets.

We currently have operations in the following major geographic regions:

- North America;
- Asia/Pacific;
- Europe; and
- Latin America.

RESULTS OF CONTINUING OPERATIONS

FINANCIAL SUMMARY−THREE MONTHS ENDED DECEMBER 1, 2012

- Net sales for the second quarter of fiscal 2013 were $36.6 million, down 6.5%, compared to net sales of $39.1 million during the second quarter of last year.
- Gross margin as a percentage of net sales decreased to 29.3% during the second quarter of fiscal 2013, compared to 29.9% during the second quarter of last year.
- SG&A expenses during the second quarter of fiscal 2013 were $10.2 million, or 27.9% of net sales, compared to $10.0 million, or 25.5% of net sales, during the second quarter of last year.
- Operating income during the second quarter of fiscal 2013 was $0.5 million, or 1.4% of net sales, compared to operating income of $1.7 million, or 4.4% of net sales, during the second quarter of last year.

Income from continuing operations during the second quarter of fiscal 2013 was $0.6 million, or $0.04 per diluted common share, compared to income from continuing operations of $1.6 million, or $0.09 per diluted common share, during the second quarter of last year.

Loss from discontinued operations, net of tax, was $0.2 million, during the second quarter of fiscal 2013 compared to a loss from discontinued operations, net of tax, of $0.8 million, during the second quarter of last year.

Net income during the second quarter of fiscal 2013 was $0.4 million, or $0.03 per diluted common share, compared to net income of $0.8 million, or $0.04 per diluted common share, during the second quarter of last year.

FINANCIAL SUMMARY−SIX MONTHS ENDED DECEMBER 1, 2012

Net sales for the first six months of fiscal 2013 were $72.3 million, down 10.4%, compared to net sales of $80.6 million during the first six months of last year.

Gross margin as a percentage of net sales decreased to 29.6% during the first six months of fiscal 2013, compared to 30.2% during the first six months of last year.

SG&A expenses during the first six months of fiscal 2013 were $20.4 million, or 28.2% of net sales, compared to $20.7 million, or 25.7% of net sales, during the first six months of last year.

Operating income during the first six months of fiscal 2013 was $1.0 million, or 1.4% of net sales, compared to operating income of $3.7 million, or 4.6% of net sales, during the first six months of last year.

Income from continuing operations during the first six months of fiscal 2013 was $1.3 million, or $0.08 per diluted common share, compared to income from continuing operations of $2.7 million, or $0.15 per diluted common share, during the first six months of last year.

Loss from discontinued operations, net of tax, was $0.3 million, during the first six months of fiscal 2013 compared to income from discontinued operations, net of tax, of $1.8 million, or $0.10 per diluted common share, during the first six months of last year.

Net income during the first six months of fiscal 2013 was $1.0 million, or $0.06 per diluted common share, compared to net income of $4.5 million, or $0.25 per diluted common share, during the first six months of last year.

Net Sales and Gross Profit Analysis

During the second quarter of fiscal 2013, consolidated net sales decreased 6.5% to $36.6 million, compared to $39.1 million during the second quarter of fiscal 2012. During the first six months of fiscal 2013, consolidated net sales decreased 10.4% to $72.3 million, compared to $80.6 million during the first six months of fiscal 2012.

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Net sales by segment and percent change during the second quarter and first six months of fiscal 2013 and 2012 were as follows (*in thousands*):

Net Sales

	FY 2013	FY 2012	% Change
Second Quarter			
EDG	$26,186	$28,022	(6.6 %)
Canvys	10,417	11,116	(6.3 %)
Total	$36,603	$39,138	(6.5 %)

	FY 2013	FY 2012	% Change
First Six Months			
EDG	$51,813	$58,751	(11.8 %)
Canvys	20,440	21,898	(6.7 %)
Total	$72,253	$80,649	(10.4 %)

Consolidated gross profit as a percentage of net sales decreased to 29.3% during the second quarter of fiscal 2013, as compared to 29.9% during the second quarter of fiscal 2012 and to 29.6% during the first six months of fiscal 2013, as compared to 30.2% during the first six months of fiscal 2012.

Gross profit reflects the distribution and manufacturing product margin less manufacturing variances, inventory obsolescence charges, customer returns, scrap and cycle count adjustments, engineering costs, and other provisions.

Gross profit by segment and percent of segment net sales during the second quarter and first six months of fiscal 2013 and 2012 were as follows (*in thousands*):

Gross Profit

	FY 2013	% of Net Sales	FY 2012	% of Net Sales
First Quarter				
EDG	$7,930	30.3 %	$8,546	30.5 %
Canvys	2,812	27.0 %	3,144	28.3 %
Total	$10,742	29.3 %	$11,690	29.9 %

	FY 2013	% of Net Sales	FY 2012	% of Net Sales
First Six Months				
EDG	$15,930	30.7 %	$18,217	31.0 %
Canvys	5,458	26.7 %	6,175	28.2 %
Total	$21,388	29.6 %	$24,392	30.2 %

Electron Device Group

Net sales for EDG decreased 6.6% to $26.2 million during the second quarter of fiscal 2013, from $28.0 million during the second quarter of fiscal 2012. Net sales of tubes decreased to $20.9 million during the second quarter of fiscal 2013, as compared to $22.7 million during the second quarter of fiscal 2012, due primarily to economic concerns and weaker demand in the plastic, wood and semiconductor fabrication markets. Gross margin as a percentage of net sales decreased slightly to 30.3% during the second quarter of fiscal 2013, as compared to 30.5% during the second quarter of fiscal 2012. The overall decrease in gross margin primarily reflects unabsorbed manufacturing labor and overhead costs associated with the decline in demand for semiconductor wafer fabrication components.

Net sales for EDG decreased 11.8% to $51.8 million during the first six months of fiscal 2013, from $58.8 million during the first six months of fiscal 2012. Net sales of tubes decreased to $41.3 million during the first six months of fiscal 2013, as compared to $47.9 million during the first six months of fiscal 2012, relating to the reasons mentioned above. Gross margin as a percentage of net sales decreased slightly to 30.7% during the first six months of fiscal 2013, as compared to 31.0% during the first six months of fiscal 2012. The overall decrease in gross margin primarily reflects under absorption in manufacturing due to the decline in demand for semiconductor wafer fabrication components.

Canvys

Canvys net sales decreased 6.3% to $10.4 million during the second quarter of fiscal 2013, from $11.1 million during the second quarter of fiscal 2012. Sales increased in the North America Custom OEM and Healthcare segments, while sales in Europe were down due to the continuing effect of the economic environment. Gross margin as a percentage of net sales decreased to 27.0% during the second quarter of fiscal 2013 as compared to 28.3% during the second quarter of fiscal 2012, due primarily to lower margin in Europe associated with customer mix and currency exchange.

Canvys net sales decreased 6.7% to $20.4 million during the first six months of fiscal 2013, from $21.9 million during the first six months of fiscal 2012. Sales increased in the North America Custom OEM and Healthcare segments, while sales in Europe were down due to the continuing effect of the economic environment on German exports. Gross margin as a percentage of net sales decreased to 26.7% during the first six months of fiscal 2013 as compared to 28.2% during the first six months of fiscal 2012, due primarily to lower margin in Europe associated with customer mix and currency exchange.

Selling, General, and Administrative Expenses

Selling, general, and administrative expenses (“SG&A”) increased during the second quarter of fiscal 2013 to $10.2 million from $10.0 million during the second quarter of fiscal 2012. The $0.2 million increase includes a $0.5 million increase of SG&A for EDG and a $0.1 million increase of SG&A for Canvys, offset by a $0.4 million reduction of total company support function costs. The increase of $0.5 million within EDG was due primarily to increases in bad debt expense, employee related costs, and product development costs. The increase of $0.1 million within Canvys was due primarily to employee related costs. The decrease of $0.4 million in total company support function costs was due primarily to decreases in professional services.

SG&A decreased during the first six months of fiscal 2013 to $20.4 million from $20.7 million during the first six months of fiscal 2012. The $0.3 million decrease includes a $0.2 million reduction of SG&A for Canvys and a $0.7 million reduction of total company support function costs, offset by a $0.6 million increase of SG&A for EDG. The decrease of $0.2 million within Canvys was due primarily to a reduction in bad debt expense. The decrease of $0.7 million in support functions was due primarily to headcount reductions and professional services. The increase in SG&A for EDG of $0.6 million was due primarily to increases in bad debt expense and product development costs.

Other (Income) Expense

Other (income) expense was $0.1 million of income during the second quarter of fiscal 2013, as compared to $0.7 million of income during the second quarter of fiscal 2012. Other (income) expense included a foreign exchange loss of $0.3 million during the second quarter of fiscal 2013, as compared to a foreign exchange gain of $0.5 million during the second quarter of fiscal 2012. Our foreign exchange gains and losses are primarily due to the translation of our U.S. dollars we hold in non-U.S. entities. We currently do not utilize derivative instruments to manage our exposure to foreign currency. The second quarter of fiscal 2013 and fiscal 2012 also included $0.4 million and $0.3 million, respectively, of investment/interest income.

Other (income) expense was $0.5 million of income during the first six months of fiscal 2013, as compared to $0.4 million of income during the first six months of fiscal 2012. Other (income) expense included a foreign exchange loss of $0.3 million during the first six months of fiscal 2013 and fiscal 2012. Our foreign exchange gains and losses are primarily due to the translation of our U.S. dollars we hold in non-U.S. entities. We currently do not utilize derivative instruments to manage our exposure to foreign currency. The first six months of fiscal 2013 and fiscal 2012 also included $0.7 million and $0.6 million, respectively, of investment/interest income.

Income Tax Provision

The effective income tax rate from continuing operations during the first six months of fiscal 2013 was 15.3% as compared to 34.7% during the first six months of fiscal 2012. The decrease in rate during the first six months of fiscal 2013, as compared to fiscal 2012, was due to the decrease in available cash in foreign jurisdictions to distribute unremitted foreign earnings with respect to ASC 740-30, *Income Taxes – Other Considerations or Special Areas.* The effective rate as compared to the federal statutory rate of 34.0% resulted from our geographical distribution of taxable income or losses, apportionment of income to various states, in addition to our position with respect to ASC 740-30, *Income Taxes – Other Considerations or Special Areas*.

In the normal course of business, we are subject to examination by taxing authorities throughout the world. We are no longer subject to either U.S. federal, state or local, or non-U.S. tax examinations by tax authorities for years prior to fiscal 2004. Currently, we are under federal audit in the U.S. for fiscal year 2011. Based on the recent commencement of the audit, no tax matters have arisen that would result in material adjustments. Our primary foreign tax jurisdictions are Germany and the Netherlands. We have tax years open in Germany and the Netherlands beginning in fiscal 2007.

As of December 1, 2012, $46.7 million of cumulative positive earnings of some of our foreign subsidiaries are still considered permanently reinvested pursuant to ASC 740-30, *Income Taxes-Other Considerations or Special Areas*. It is not practical to determine what, if any, tax liability might exist if such earnings were to be repatriated.

As of December 1, 2012, our worldwide liability for uncertain tax positions related to continuing operations, excluding interest and penalties, was $0.4 million as compared to $0.5 million as of June 2, 2012. We record penalties and interest relating to uncertain tax positions in the income tax expense line item within the unaudited consolidated statements of income and comprehensive income.

It is reasonably possible that there will be a change in the unrecognized tax benefits related to continuing operations, excluding interest and penalties, in the range of $0 to approximately $0.03 million due to the expiration of various statutes of limitations within the next 12 months.

Discontinued Operations

Arrow Transaction

On March 1, 2011, we completed the sale of the assets primarily used or held for use in, and certain liabilities of, our RF, Wireless and Power Division ("RFPD"), as well as certain other Company assets, including our information technology assets, to Arrow Electronics, Inc. ("Arrow") in exchange for $238.8 million, which included an estimated pre-closing working capital adjustment of approximately $27.0 million ("the Transaction.") During the fourth quarter of fiscal 2011, we recorded a working capital adjustment of $4.2 million in our results from discontinued operations. During the second quarter of fiscal 2012, we paid Arrow $3.9 million to settle the working capital adjustment.

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Financial Summary – Discontinued Operations

Summary financial results for the three and six months ended December 1, 2012, and December 3, 2011, are presented in the following table (*in thousands*):

	Three Months		Six Months	
	Dec 1, 2012	Dec 3, 2011	Dec 1, 2012	Dec 3, 2011
Net sales	$ 278	$ 816	$ 499	$ 1,691
Gross profit (loss)	(128)	(105)	(221)	(374)
Selling, general, and administrative expenses	201	29	266	(448)
Other (income) expense	1	–	1	–
Additonal gain on sale	–	–	–	(266)
Income tax provision (benefit)	(127)	665	(198)	(1,463)
Income (loss) from discontinued operations, net of tax	$ (203)	$ (799)	$ (290)	$ 1,803

Net sales and gross profit (loss) for the three and six months ended December 1, 2012, reflect our financial results relating to the Manufacturing Agreement with Arrow that we entered into in connection with the Transaction. Pursuant to the three-year agreement, we agreed to continue to manufacture certain RFPD products for Arrow. During the first quarter ended September 3, 2011, in connection with an examination by the Internal Revenue Service, we reduced our deferred tax liability by $2.1 million related to our un-repatriated foreign earnings based on a determination of the earnings and profits that would remain in certain foreign subsidiaries after the Arrow transaction.

Assets and liabilities classified as discontinued operations on our unaudited consolidated balance sheets as of December 1, 2012, and June 2, 2012, include the following (*in thousands*):

	Dec 1, 2012	Jun 2, 2012
Inventories	$ 248	$ 503
Prepaid expenses and other assets	–	11
Discontinued operations–Assets	**$ 248**	**$ 514**
Accrued liabilities–current (1)	$ 418	$ 253
Long-term income tax liabilities (2)	1,380	1,361
Discontinued operations–Liabilities	**$ 1,798**	**$ 1,614**

(1) *Included in accrued liabilities as of December 1, 2012, is a payable to Arrow for transition services of $1.8 million, offset by a receivable due to us from Arrow for transition services of $1.4 million.*

(2) *Included in long-term income tax liabilites as of December 1, 2012, is the reserve for uncertain tax positions.*

In accordance with ASC 230, *Statement of Cash Flows,* entities are permitted but not required to separately disclose, either in the statement of cash flows or footnotes to the financial statements, cash flows pertaining to discontinued operations. Entities that do not present separate operating cash flows information related to discontinued operations must do so consistently for all periods presented, which may include periods long after the sale or liquidation of the operation. Cash flows related to our discontinued operations are not material.

Net Income and Per Share Data

Net income during the second quarter of fiscal 2013 was $0.4 million, or $0.03 per diluted common share and $0.02 per Class B diluted common share, as compared to net income of $0.8 million during the second quarter of fiscal 2012, or $0.04 per diluted common share and $0.05 per Class B diluted common share.

Net income during the first six months of fiscal 2013 was $1.0 million, or $0.06 per diluted common share and $0.06 per Class B diluted common share, as compared to net income of $4.5 million during the first six months of fiscal 2012, or $0.25 per diluted common share and $0.24 per Class B diluted common share.

LIQUIDITY, FINANCIAL POSITION, AND CAPITAL RESOURCES

Our growth and cash needs have been primarily financed through income from operations. Cash and cash equivalents for the first six months ended December 1, 2012, were $53.5 million. In addition, time deposits and CD' s classified as short-term investments were $86.4 million and long-term investments were $7.4 million, including equity investments of $0.4 million. Cash and investments at December 1, 2012, consisted of $84.6 million in North America, $19.8 million in Europe, $1.3 million in Latin America, and $41.2 million in Asia/Pacific. At June 2, 2012, cash and cash equivalents were $43.9 million. Time deposits and CD' s classified as short-term investments were $105.0 million and long-term investments were $10.7 million, including equity investments of $0.4 million. Cash and investments at June 2, 2012, consisted of $94.3 million in North America, $20.7 million in Europe, $0.7 million in Latin America, and $43.5 million in Asia/Pacific.

Cash Flows from Discontinued Operations

In accordance with ASC 230, *Statement of Cash Flows,* entities are permitted but not required to separately disclose, either in the statement of cash flows or footnotes to the financial statements, cash flows pertaining to discontinued operations. Entities that do not present separate operating cash flows information related to discontinued operations must do so consistently for all periods presented, which may include periods long after the sale or liquidation of the operation. Cash flows related to our discontinued operations are not material.

Cash Flows from Operating Activities

The cash flow from operating activities primarily resulted from our net income, adjusted for non-cash items, and changes in our operating assets and liabilities.

Operating activities, which include our discontinued operations, provided $2.9 million of cash during the first six months of fiscal 2013. We had net income of $1.0 million in the first six months of fiscal 2013, which included non-cash stock-based compensation expense of $0.3 million associated with the issuance of stock option awards primarily to our directors and officers and non-cash depreciation and amortization expense of $0.6 million associated with our investments in property and equipment as well as amortization of our intangible assets. Changes in our operating assets and liabilities, net of effects of acquired businesses, provided $1.0 million of cash during the first six months of fiscal 2013, due primarily to the decrease in our inventory of $1.7 million, increase in our accounts payable of $1.2 million, partially offset by an increase in our accounts receivable of $1.4 million and an increase to our prepaid expenses of $0.4 million. The decrease in our inventory was the result of reduced inventory purchases during the first six months due to the decline in net sales. The increase in accounts payable of $1.2 million was due primarily to an increase in accrued vouchers of $0.6 million and $0.6 million related to re-classes of customer credit balances in accounts receivable to accounts payable. The increase in our receivables of $1.4 million was due primarily to the timing of customer payments and a $0.6 million reclass of customer credit balances to accounts payable. The increase in prepaid expenses of $0.4 million was due primarily to the renewal of our liability insurance coverage.

Operating activities, which include our discontinued operations, used $47.0 million of cash during the first six months of fiscal 2012. We had net income of $4.5 million in the first six months of fiscal 2012, which included non-cash stock-based compensation expense of $0.3 million associated with the issuance of stock option awards to our directors and officers and non-cash depreciation expense of $0.6 million associated with our investments in property and equipment as well as amortization of our intangible assets. Changes in our operating assets and liabilities used $52.3 million of cash during the first six months of fiscal 2012, due primarily to decreases in our operating liabilities, including accounts payable, accrued liabilities, and long-term income tax liabilities, and decreases in our operating assets, including prepaid expenses, as well as increases in our operating assets including inventories and income tax receivable. The decrease in accounts payable of $3.1 million, excluding the impact of foreign currency exchange of $0.2 million, was due primarily to the timing of vendor payments. The decrease in accrued liabilities of $42.9 million, excluding the impact of foreign currency exchange of $0.4 million, was due primarily to $33.9 million of cash used for our tax payment related to the sale of RFPD. The decrease in long-term income tax liabilities of $7.0 million was due primarily to estimated tax payments for the fiscal 2012 and fiscal 2011 tax returns. The increase in prepaid expenses of $8.4 million was due primarily to the final payment received of $4.2 million from Arrow for the sale of RFPD and a $4.1 million decrease of discontinued assets. The increase in inventories of $5.7 million, excluding the impact of foreign currency exchange of $0.1 million, was due primarily to increased purchasing to support expected future sales growth. The increase in our income tax receivable of $5.6 million relates to an overpayment in our estimated federal tax for fiscal year 2011.

Cash Flows from Investing Activities

The cash flow from investing activities has consisted primarily of purchases and maturities of investments and capital expenditures.

Cash provided by investing activities during the first six months of fiscal 2013, included proceeds from maturities of investments of $97.5 million, offset by purchases of investments of $75.6 million, $2.6 million for the acquisition of D and C, and $0.6 million in capital expenditures.

Cash used in investing activities during the first six months of fiscal 2012, included purchases of investments of $285.2 million, $2.3 million for the acquisition of Powerlink, and $0.1 million in capital expenditures, offset by proceeds from maturities of investments of $202.4 million.

Our purchases and proceeds from investments consist of time deposits and CDs. Purchasing of future investments may vary from period to period due to interest and foreign currency exchange rates.

Cash Flows from Financing Activities

The cash flow from financing activities primarily consists of repurchases of common stock and cash dividends paid.

Cash used in financing activities of $13.3 million during the first six months of fiscal 2013, resulted from $11.6 million of cash used to repurchase common stock and $1.8 million in dividends paid, offset by $0.1 million of proceeds from the issuance of common stock. The repurchase of common stock relates to our share repurchase authorizations. Cash dividends paid of $1.8 million were approved by the Board of Directors on July 24, 2012 and October 9, 2012.

Cash used in financing activities of $13.2 million during the first six months of fiscal 2012, resulted from $11.9 million of cash used to repurchase common stock and $1.7 million in dividends paid, offset by $$0.4 million of proceeds from the issuance of common stock. The repurchase of common stock relates to our share repurchase authorization. Cash dividends paid of $1.7 million were approved by the Board of Directors on July 19, 2011 and October 4, 2011.

Dividend payments for the first six months of fiscal 2013 were approximately $1.8 million. All future payments of dividends are at the discretion of the Board of Directors. Dividend payments will depend on earnings, capital requirements, operating conditions, and such other factors that the Board may deem relevant.

We believe that the existing sources of liquidity, including current cash, will provide sufficient resources to meet known capital requirements and working capital needs for the fiscal year ending June 1, 2013.

UPDATES TO CRITICAL ACCOUNTING POLICIES AND ESTIMATES

Inventories: Our worldwide inventories are stated at the lower of cost or market, generally using a weighted-average cost method. Our inventories included approximately $32.7 million of finished goods and $2.6 million of raw materials and work-in-progress as of December 1, 2012, as compared to approximately $31.8 million of finished goods and $2.9 million of raw materials and work-in-progress as of June 2, 2012.

At this time, we do not anticipate any material risks or uncertainties related to possible inventory write-downs for the remainder of fiscal 2013, ending June 1, 2013.

Revenue Recognition: Our product sales are recognized as revenue upon shipment, when title passes to the customer, when delivery has occurred or services have been rendered, and when collectability is reasonably assured. We also record estimated discounts and returns based on our historical experience. Our products are often manufactured to meet the specific design needs of our customers' applications. Our engineers work closely with customers to ensure that our products will meet their needs. Our customers are under no obligation to compensate us for designing the products we sell.

In a limited number of cases, we provide and bill our customers with non-product related services, such as testing, calibration, non-recurring engineering, tooling, and installation services. We have concluded that the service revenue should not be considered a separate unit of accounting from the product sale as we have determined there is no objective and reliable evidence of the fair value of the undelivered items.

We have also concluded that, in the limited cases where remaining obligations exist after delivery of the product, the obligation relative to the unit of accounting is inconsequential or perfunctory. This conclusion was reached based on the following facts: the timing of any remaining obligation is agreed upon with the customer, which in most cases, is performed immediately after the delivery of the product; the cost and time involved to complete the remaining obligation is minimal, and the costs and time do not vary significantly; we have a demonstrated history of completing the remaining obligations timely; and finally, failure to complete the remaining obligation does not enable the customer to receive a full or partial refund of the product or service.

Discontinued Operations: In accordance with Accounting Standards Codification ("ASC") 205-20, *Presentation of Financial Statements- Discontinued Operations* ("ASC 205-20"), we reported the financial results of RFPD as a discontinued operation. Refer to Note 4 "Discontinued Operations" of our notes to our unaudited consolidated financial statements for additional discussion on the sale of RFPD.

Loss Contingencies: We accrue a liability for loss contingencies when it is probable that a liability has been incurred and the amount can be reasonably estimated. When only a range of possible loss can be established, the most probable amount in the range is accrued. If no amount within this range is a better estimate than any other amount within the range, the minimum amount in the range is accrued. If we determine that there is at least a reasonable possibility that a loss may have been incurred, we will include a disclosure describing the contingency.

Goodwill and Other Intangible Assets: Goodwill is initially recorded based on the premium paid for acquisitions and is subsequently tested for impairment. We test goodwill for impairment annually and whenever events or circumstances indicate an impairment may have occurred, such as a significant adverse change in the business climate, loss of key personnel or a decision to sell or dispose of a reporting unit. As of December 1, 2012, our goodwill balance was $2.3 million and represents the premium we paid for Powerlink of $1.4 million during our second quarter of fiscal 2012, adjusted for foreign currency translation and the premium we paid for D and C of $0.9 million during our second quarter of fiscal 2013.

During the fourth quarter of each fiscal year, our goodwill balances are reviewed for impairment using the last day of our third quarter as the measurement date. In accordance with ASC 350 *"Intangibles–Goodwill and Other"* ("ASC 350"), if indicators of impairment are deemed to be present, we would perform an interim impairment test and any resulting impairment loss would be charged to expense in the period identified.

During the fourth quarter of fiscal 2012, we adopted Accounting Standards Update ("ASU") 2011-08 which allows a company the option to perform a qualitative evaluation about the likelihood of goodwill impairment to determine whether it should calculate the fair value of an operating segment. We applied this qualitative approach to our EDG operating segment and concluded that indications of impairment were not present as of June 2, 2012. The qualitative factors considered included macroeconomic conditions, industry and market considerations, cost factors, overall financial performance, and other relevant entity or reporting unit specific events.

Intangible assets are initially recorded at their fair market values determined on quoted market prices in active markets, if available, or recognized valuation models. Intangible assets that have finite useful lives are amortized on a straight-line basis over their useful lives.

Our intangible asset is the fair value that we determined for customer relationships acquired in connection with the acquisition of Powerlink during the second quarter of our fiscal year 2012. The fair value was based upon discounted cash flows that the customer relationships are expected to generate over the next twenty years.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Risk Management and Market Sensitive Financial Instruments

We are exposed to many different market risks with the various industries we serve. The primary financial risk we are exposed to is foreign currency exchange, as certain operations, assets, and liabilities of ours are denominated in foreign currencies. We manage these risks through normal operating and financing activities.

The interpretation and analysis of these disclosures should not be considered in isolation since such variances in exchange rates would likely influence other economic factors. Such factors, which are not readily quantifiable, would likely also affect our operations. Additional disclosure regarding various market risks are set forth in Part I, Item 1A, "Risk Factors" of our Annual Report on Form 10-K for the year ended June 2, 2012, and in our Proxy Statement on schedule 14A filed with the Security and Exchange Commission on August 30, 2012.

ITEM 4. CONTROLS AND PROCEDURES

(a) Evaluation of Disclosure Controls and Procedures

Management of the Company, with the participation of the Chief Executive Officer and the Chief Financial Officer, evaluated the effectiveness of the design and operation of the Company' s disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) of the Securities Exchange Act of 1934, as amended (the "Exchange Act")) as of December 1, 2012.

Disclosure controls and procedures are intended to provide reasonable assurance that information required to be disclosed in the Company' s Exchange Act reports is recorded, processed, summarized, and reported within the time periods specified by the Securities and Exchange Commission' s rules and forms, and that such information is accumulated and communicated to management, including the Company' s Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure. Based on this evaluation, the Company' s Chief Executive Officer and Chief Financial Officer have concluded that the Company' s disclosure controls and procedures were effective as of the end of the period covered by this report.

(b) Changes in Internal Control over Financial Reporting

There were no changes in the Company' s internal control over financial reporting identified in connection with the evaluation required by paragraph (d) of Exchange Act Rules 13a-15 or 15d-15 that occurred during the second quarter of fiscal 2013 that have materially affected, or are reasonably likely to materially affect, the Company' s internal control over financial reporting.

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PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

From time to time we or our subsidiaries are involved in legal actions that arise in the ordinary course of our business. While the outcome of these matters cannot be predicted with certainty, we do not believe that the outcome of any current claims, including the above mentioned legal matters, will have a material adverse effect on our consolidated financial position, results of operations, or cash flows.

ITEM 1A. RISK FACTORS

There have been no material changes to the risk factors previously disclosed in our Annual Report on Form 10-K for the year ended June 2, 2012, and in our Proxy Statement on Schedule 14A filed with the Security and Exchange Commission on August 30, 2012.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

Period	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Dollar Amount of Shares Purchased Under the Plans or Programs	Amounts Remaining Under the Share Repurchase Authorization
September 1, 2012					$ 36,780,764
September 2, 2012−September 29, 2012	96,972	$ 12.11	96,972	$ 1,174,044	$ 35,606,720
September 30, 2012−October 27, 2012	305,158	$ 11.96	305,158	$ 3,649,513	$ 31,957,207
October 28, 2012−December 1, 2012	100,815	$ 11.64	100,815	$ 1,173,507	$ 30,783,700
TOTAL	**502,945**	**$ 11.92**	**502,945**	**$ 5,997,064**	

ITEM 5. OTHER INFORMATION

Results of Operation and Financial Condition and Declaration of Dividend

On January 9, 2013, we issued a press release reporting results for our second quarter and first six months ended December 1, 2012, and the declaration of a cash dividend. A copy of the press release is furnished as Exhibit 99.1 to this Form 10-Q and incorporated by reference herein.

Appointment of Sandeep Beotra as Executive Vice President of Mergers and Acquisitions

On December 3, 2012, we issued a press release announcing the appointment of Sandeep Beotra as the Executive Vice President of Mergers and Acquisitions.

ITEM 6. EXHIBITS

See exhibit index which is incorporated by reference herein.

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SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

	RICHARDSON ELECTRONICS, LTD.
Date: January 10, 2013	By: /s/ Kathleen S. Dvorak
	Kathleen S. Dvorak Chief Financial Officer (on behalf of the Registrant and as Principal Financial Officer)

Exhibit Index

(c) EXHIBITS

Exhibit Number	Description
3.1	Restated Certificate of Incorporation of the Company, incorporated by reference to Appendix B to the Proxy Statement / Prospectus dated November 13, 1986, incorporated by reference to the Company' s Registration Statement on Form S-4.
3.2	Amended and Restated By-Laws of the Company, incorporated by reference to Exhibit 3.2 on the Company' s Report on Form 10-Q for the quarterly period ended December 3, 2011.
31.1	Certification of Edward J. Richardson pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (filed pursuant to Part I).
31.2	Certification of Kathleen S. Dvorak pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (filed pursuant to Part I).
32	Certifications pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (filed pursuant to Part I).
99.1	Press release, dated January 9, 2013.
101	The following financial information from our Quarterly Report on Form 10-Q for the second quarter and first six months of fiscal 2013, filed with the SEC on January 10, 2013, formatted in Extensible Business Reporting Language (XBRL): (i) the Consolidated Balance Sheets as of December 1, 2012, and June 2, 2012, (ii) the Unaudited Consolidated Statements of Comprehensive Income (loss) for the three and six months ended December 1, 2012, and December 3, 2011, (iii) the Unaudited Consolidated Statements of Cash Flows for the three and six months ended December 1, 2012, and December 3, 2011, (iv) the Unaudited Consolidated Statement of Stockholder' s Equity as of December 1, 2012, and (v) Notes to Unaudited Consolidated Financial Statements.

Exhibit 31.1

CERTIFICATION PURSUANT TO
SECTION 302(a) OF THE SARBANES-OXLEY ACT OF 2002

I, Edward J. Richardson, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Richardson Electronics, Ltd. for the period ended December 1, 2012;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
    a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
    b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
    c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
    d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
    a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
    b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: January 10, 2013

Signature: /s/ Edward J. Richardson
Edward J. Richardson
Chairman of the Board and Chief Executive Officer

Exhibit 31.2

CERTIFICATION PURSUANT TO
SECTION 302(a) OF THE SARBANES-OXLEY ACT OF 2002

I, Kathleen S. Dvorak, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Richardson Electronics, Ltd. for the period ended December 1, 2012;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: January 10, 2013

Signature: /s/ Kathleen S. Dvorak
Kathleen S. Dvorak
Chief Financial Officer

Exhibit 32

CERTIFICATION PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Richardson Electronics, Ltd. (the "Company") on Form 10-Q for the period ended December 1, 2012, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Edward J. Richardson, Chairman of the Board and Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

/s/ Edward J. Richardson

Edward J. Richardson
Chairman of the Board and Chief Executive Officer
January 10, 2013

CERTIFICATION PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Richardson Electronics, Ltd. (the "Company") on Form 10-Q for the period ended December 1, 2012, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Kathleen S. Dvorak, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

/s/ Kathleen S. Dvorak

Kathleen S. Dvorak
Chief Financial Officer
January 10, 2013

Exhibit 99.1

Corporate Headquarters
40W267 Keslinger Road
PO Box 393
LaFox, IL 60147-0393
USA
Phone: (630) 208-2200
Fax: (630) 208-2550

For Immediate Release

For Details Contact:

Edward J. Richardson	**Kathleen S. Dvorak**
Chairman and CEO	EVP & CFO
Phone: (630) 208-2340 (630)	208-2208
E-mail: info@rell.com	

RICHARDSON ELECTRONICS REPORTS SECOND QUARTER FISCAL 2013 RESULTS AND DECLARES CASH DIVIDEND

LaFox, IL, January 9, 2013: Richardson Electronics, Ltd. (NASDAQ: RELL) today reported sales and earnings for its second quarter ended December 1, 2012. 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 2013 were $36.6 million, down 6.5% from net sales of $39.1 million during the second quarter of last year reflecting the impact of the uncertainty within the global marketplace. Gross profit for the second quarter of fiscal 2013 was $10.7 million, or 29.3% of net sales, compared to $11.7 million, or 29.9% of net sales, during the second quarter of fiscal 2012. Gross profit during the second quarter of fiscal 2013 was impacted by unabsorbed manufacturing labor and overhead of $0.3 million, or 0.8% of net sales.

Selling, General, and Administrative ("SG&A") costs during the second quarter of fiscal 2013 were $10.2 million, compared to $10.0 million during last year' s second quarter. SG&A expenses during the second quarter of fiscal 2013 included severance costs, expenses related to a preference claim, and product development costs totaling $0.4 million.

Operating income during the second quarter of fiscal 2013 was $0.5 million, or 1.4% of net sales, compared to operating income of $1.7 million, or 4.4% of net sales, during the second quarter of last year. Income from continuing operations for the second quarter of fiscal 2013 was $0.6 million, or $0.04 per diluted common share, compared to income from continuing operations of $1.6 million, or $0.09 per diluted common share during the second quarter of last year.

"Sales in the first half of our fiscal year were impacted by slowing growth in Asia combined with global financial instability and a decline in demand for semiconductor wafer fabrication components. We have adjusted resources to align our costs with current sales expectations. With an outlook for improving global economic conditions, we anticipate sales for the second half of our fiscal year to be up significantly over the first half," said Edward J. Richardson, Chairman, Chief Executive Officer and President.

"We continue to focus on converting sales from OEM customers to end users through our expanded service capabilities for laser and industrial tubes. We are in an excellent position to help customers replace tubes and service their equipment. Our ability to create opportunities to extend our business model into new industries is also crucial to the long-term success of the company," concluded Mr. Richardson.

FINANCIAL SUMMARY - THREE MONTHS ENDED DECEMBER 1, 2012

Net sales for the second quarter of fiscal 2013 were $36.6 million, down 6.5%, compared to net sales of $39.1 million during the second quarter of last year.

Gross margin as a percentage of net sales decreased to 29.3% during the second quarter of fiscal 2013 compared to 29.9% during the second quarter of last year.

SG&A expenses during the second quarter of fiscal 2013 were $10.2 million, or 27.9% of net sales, compared to $10.0 million, or 25.5% of net sales, during the second quarter of last year.

Operating income during the second quarter of fiscal 2013 was $0.5 million, or 1.4% of net sales, compared to operating income of $1.7 million, or 4.4% of net sales, during the second quarter of last year.

Income from continuing operations during the second quarter of fiscal 2013 was $0.6 million, or $0.04 per diluted common share, compared to income from continuing operations of $1.6 million, or $0.09 per diluted common share, during the second quarter of last year.

Loss from discontinued operations, net of tax, was $0.2 million, during the second quarter of fiscal 2013 compared to a loss from discontinued operations, net of tax, of $0.8 million, during the second quarter of last year.

Net income during the second quarter of fiscal 2013 was $0.4 million, or $0.03 per diluted common share, compared to net income of $0.8 million, or $0.04 per diluted common share, during the second quarter of last year.

FINANCIAL SUMMARY - SIX MONTHS ENDED DECEMBER 1, 2012

Net sales for the first six months of fiscal 2013 were $72.3 million, down 10.4%, compared to net sales of $80.6 million during the first six months of last year.

Gross margin as a percentage of net sales decreased to 29.6% during the first six months of fiscal 2013 compared to 30.2% during the first six months of last year.

SG&A expenses during the first six months of fiscal 2013 were $20.4 million, or 28.2% of net sales, compared to $20.7 million, or 25.7% of net sales, during the first six months of last year.

Operating income during the first six months of fiscal 2013 was $1.0 million, or 1.4% of net sales, compared to operating income of $3.7 million, or 4.6% of net sales, during the first six months of last year.

Income from continuing operations during the first six months of fiscal 2013 was $1.3 million, or $0.08 per diluted common share, compared to income from continuing operations of $2.7 million, or $0.15 per diluted common share, during the first six months of last year.

Loss from discontinued operations, net of tax, was $0.3 million, during the first six months of fiscal 2013 compared to income from discontinued operations, net of tax, of $1.8 million, or $0.10 per diluted common share, during the first six months of last year.

Net income during the first six months of fiscal 2013 was $1.0 million, or $0.06 per diluted common share, compared to net income of $4.5 million, or $0.25 per diluted common share, during the first six months of last year.

CASH USED FOR SHARE REPURCHASES

"Cash and investments at the end of our second quarter were $147.3 million. We used $6.0 million to repurchase 0.5 million shares during the second quarter of fiscal 2013. As of today, we have repurchased a total of 3.5 million shares for $44.2 million under our share repurchase authorization and currently have $30.8 million remaining. With our strong balance sheet, we are committed to returning value to our shareholders through a combination of cash dividends, share repurchases, and strategic acquisitions," said Mr. Richardson.

Share repurchases may be made on the open market or in privately negotiated transactions, subject to market conditions and trading restrictions. This authorization has no expiration and may be cancelled at any time.

CASH DIVIDEND

The Company also announced today that its Board of Directors declared a $0.06 dividend per share to all holders of common stock and a $0.054 cash dividend per share to all holders of Class B common stock. The dividend will be payable on February 22, 2013, to all common stockholders of record on February 8, 2013. The Company currently has 12.3 million outstanding shares of common stock and 2.7 outstanding shares of Class B common stock.

CONFERENCE CALL INFORMATION

On Thursday, January 10, 2013, 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 2013. A question and answer session will be included as part of the call' s agenda. To listen to the call, please dial (877) 465-4511 and enter passcode 75280206 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 10, 2013, for seven days. The telephone numbers for the replay are (USA) (888) 286-8010 and (International) (617) 801-6888; access code 51931348.

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 27, 2012, and in the Company’ s Proxy Statement on Schedule 14A filed on August 30, 2012. 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)

	Unaudited December 1, 2012	Audited June 2, 2012
Assets		
Current assets:		
Cash and cash equivalents	$53,518	$43,893
Accounts receivable, less allowance of $1,047 and $1,058	21,706	19,727
Inventories	35,252	34,675
Prepaid expenses and other assets	1,287	806
Deferred income taxes	2,029	2,095
Income tax receivable	6,381	6,572
Investments - current	86,395	105,009
Discontinued operations - assets	248	514
Total current assets	206,816	213,291
Non-current assets:		
Property, plant and equipment, net	4,438	4,375
Goodwill	2,269	1,261
Other intangibles	272	355
Non-current deferred income taxes	1,474	1,458
Investments - non-current	7,380	10,683
Total non-current assets	15,833	18,132
Total assets	$222,649	$231,423
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	$13,960	$12,611
Accrued liabilities	8,302	8,466
Discontinued operations - liabilities	418	253
Total current liabilities	22,680	21,330
Non-current liabilities:		
Long-term income tax liabilities	6,947	7,306
Other non-current liabilities	1,385	1,213
Discontinued operations - non-current liabilities	1,380	1,361
Total non-current liabilities	9,712	9,880
Total liabilities	32,392	31,210
Commitments and contingencies	–	–
Stockholders' equity		
Common stock, $0.05 par value; issued 12,284 shares at December 1, 2012, and 13,074 shares at June 2, 2012	611	654
Class B common stock, convertible, $0.05 par value; issued 2,740 shares at December 1, 2012 and 2,920 shares at June 2, 2012	141	146
Preferred stock, $1.00 par value, no shares issued	–	–
Additional paid-in-capital	76,914	88,217
Common stock in treasury, at cost, -0- shares at December 1, 2012, and 18 shares at June 2, 2012	–	(216)
Retained earnings	103,366	104,139

Accumulated other comprehensive income	9,225	7,273
Total stockholders' equity	190,257	200,213
Total liabilities and stockholders' equity	$222,649	$231,423

Richardson Electronics, Ltd.

Unaudited Consolidated Statements of Comprehensive Income (Loss)

(in thousands, except per share amounts)

	Three Months Ended		Six Months Ended	
	December 1, 2012	December 3, 2011	December 1, 2012	December 3, 2011
Net sales	$ 36,603	$ 39,138	$ 72,253	$ 80,649
Cost of sales	25,861	27,448	50,865	56,257
Gross profit	**10,742**	**11,690**	**21,388**	**24,392**
Selling, general, and administrative expenses	10,228	9,973	20,377	20,745
(Gain) loss on disposal of assets	2	–	(2)	(70)
Operating income	**512**	**1,717**	**1,013**	**3,717**
Other (income) expense:				
Investment/interest income	(352)	(281)	(735)	(645)
Foreign exchange (gain) loss	297	(486)	260	295
Other, net	(42)	19	(65)	(2)
Total other income	(97)	(748)	(540)	(352)
Income from continuing operations before income taxes	609	2,465	1,553	4,069
Income tax provision	28	836	238	1,411
Income from continuing operations	581	1,629	1,315	2,658
Income (loss) from discontinued operations, net of tax	(203)	(799)	(290)	1,803
Net income	**378**	**830**	**1,025**	**4,461**
Foreign currency translation gain (loss), net of tax	1,547	(2,573)	1,947	(1,205)
Fair value adjustments on investments	4	(3)	5	(51)
Comprehensive income (loss)	**$ 1,929**	**$ (1,746)**	**$ 2,977**	**$ 3,205**
Net income per Common share−Basic:				
Income from continuing operations	$ 0.04	$ 0.10	$ 0.09	$ 0.16
Income (loss) from discontinued operations	(0.01)	(0.05)	(0.02)	0.11
Total net income per Common share−Basic:	**$ 0.03**	**$ 0.05**	**$ 0.07**	**$ 0.27**
Net income per Class B common share−Basic:				
Income from continuing operations	$ 0.03	$ 0.09	$ 0.08	$ 0.14
Income (loss) from discontinued operations	(0.01)	(0.04)	(0.02)	0.10
Total net income per Class B common share−Basic:	**$ 0.02**	**$ 0.05**	**$ 0.06**	**$ 0.24**
Net income per Common share−Diluted:				
Income from continuing operations	$ 0.04	$ 0.09	$ 0.08	$ 0.15
Income (loss) from discontinued operations	(0.01)	(0.05)	(0.02)	0.10
Total net income per Common share−Diluted:	**$ 0.03**	**$ 0.04**	**$ 0.06**	**$ 0.25**
Net income per Class B common share−Diluted:				
Income from continuing operations	$ 0.03	$ 0.09	$ 0.08	$ 0.14
Income (loss) from discontinued operations	(0.01)	(0.04)	(0.02)	0.10
Total net income per Class B common share−Diluted:	**$ 0.02**	**$ 0.05**	**$ 0.06**	**$ 0.24**
Weighted average number of shares:				
Common shares−Basic	12,437	14,069	12,604	14,206
Class B common shares−Basic	2,812	2,940	2,863	2,946

Common shares−Diluted	15,345	17,161	15,567	17,319
Class B common shares−Diluted	2,812	2,940	2,863	2,946
Dividends per common share	$ 0.060	$ 0.050	$ 0.120	$ 0.100
Dividends per Class B common share	$ 0.054	$ 0.045	$ 0.108	$ 0.090

Richardson Electronics, Ltd.

Unaudited Consolidated Statements of Cash Flows

(in thousands)

	Three Months Ended		Six Months Ended	
	December 1, 2012	December 3, 2011	December 1, 2012	December 3, 2011
Operating activities:				
Net income	$378	$830	$1,025	$4,461
Adjustments to reconcile net income to cash provided by (used in) operating activities:				
Depreciation and amortization	266	280	565	564
(Gain) loss on sale of investments	(1)	11	(21)	1
(Gain) loss on disposal of assets	2	–	(2)	–
Stock compensation expense	208	107	332	262
Change in assets and liabilities, net of effects of acquired businesses:				
Deferred income taxes	(7)	(3,514)	(8)	1,815
Accounts receivable	(758)	161	(1,404)	(64)
Income tax receivable	36	2,686	191	(5,584)
Inventories	2,265	(1,978)	1,715	(5,592)
Prepaid expenses and other assets	196	5,631	(426)	8,426
Accounts payable	2,664	(503)	1,234	(3,084)
Accrued liabilities	806	(9,230)	(200)	(42,866)
Long-term income tax liabilities	4	4,396	(317)	(7,015)
Other	148	1,744	190	1,678
Net cash provided by (used in) operating activities	6,207	621	2,874	(46,998)
Investing activities:				
Cash consideration paid for acquired businesses	(2,557)	(2,297)	(2,557)	(2,297)
Capital expenditures	(478)	–	(557)	(74)
Proceeds from sale of assets	–	–	4	16
Proceeds from maturity of investments	39,763	64,849	97,510	202,382
Purchases of investments	(23,838)	(68,878)	(75,562)	(285,162)
Proceeds from sales of available-for-sale securities	83	58	137	121
Purchases of available-for-sale securities	(83)	(58)	(137)	(121)
Other	–	3	–	51
Net cash provided by (used in) investing activities	12,890	(6,323)	18,838	(85,084)
Financing activities:				
Repurchase of common stock	(5,998)	(4,197)	(11,550)	(11,888)
Proceeds from issuance of common stock	72	275	83	362
Cash dividends paid	(1,799)	(832)	(1,799)	(1,678)
Other	–	(4)	–	3
Net cash used in financing activities	(7,725)	(4,758)	(13,266)	(13,201)
Effect of exchange rate changes on cash and cash equivalents	908	(1,594)	1,179	(510)
Increase/ (decrease) in cash and cash equivalents	12,280	(12,054)	9,625	(145,793)
Cash and cash equivalents at beginning of period	41,238	37,236	43,893	170,975
Cash and cash equivalents at end of period	$53,518	$25,182	$53,518	$25,182

Richardson Electronics, Ltd.

Net Sales and Gross Profit

For the Second Quarter and First Six Months of Fiscal 2013 and Fiscal 2012

(in thousands)

By Strategic Business Unit:

Net Sales

	FY 2013	FY 2012	% Change
Second Quarter			
EDG	$26,186	$28,022	(6.6 %)
Canvys	10,417	11,116	(6.3 %)
Total	$36,603	$39,138	(6.5 %)

	FY 2013	FY 2012	% Change
First Six Months			
EDG	$51,813	$58,751	(11.8 %)
Canvys	20,440	21,898	(6.7 %)
Total	$72,253	$80,649	(10.4 %)

Gross Profit

	FY 2013	% of Net Sales	FY 2012	% of Net Sales
Second Quarter				
EDG	$7,930	30.3 %	$8,546	30.5 %
Canvys	2,812	27.0 %	3,144	28.3 %
Total	$10,742	29.3 %	$11,690	29.9 %

	FY 2013	% of Net Sales	FY 2012	% of Net Sales
First Six Months				
EDG	$15,930	30.7 %	$18,217	31.0 %
Canvys	5,458	26.7 %	6,175	28.2 %
Total	$21,388	29.6 %	$24,392	30.2 %

Intangible Assets Amortization expense (Detail) (USD $) In Thousands, unless otherwise specified	Dec. 01, 2012
Finite Lived Intangible Assets Future Amortization Expense [Line Items]	
Remaining fiscal 2013	$ 21
2014	36
2015	31
2016	27
2017	17
Thereafter	$ 140

Reconciliation of Assets to Relevant Consolidated Amount (Detail) (USD $) In Thousands, unless otherwise specified	Dec. 01, 2012		Sep. 04, 2012	Jun. 02, 2012		Dec. 03, 2011	Sep. 03, 2011	May 28, 2011
Segment Reporting, Asset Reconciling Item [Line Items]								
Cash	$ 53,518		$ 41,238	$ 43,893		$ 25,182	$ 37,236	$ 170,975
Investments-current	86,395			105,009				
Other current assets	11,941	[1]		10,723	[1]			
Net property	4,438			4,375				
Investments-non-current	7,380			10,683				
Other assets	1,474	[2]		1,458	[2]			
Assets of discontinued operations	248	[3]		514	[3]			
Total assets	222,649			231,423				
Reportable Segment								
Segment Reporting, Asset Reconciling Item [Line Items]								
Total assets	$ 57,255			$ 54,768				

[1] Other current assets include miscellaneous receivables, prepaid expenses, and current deferred income taxes.

[2] Other assets primarily include non-current deferred income taxes.

[3] See Footnote 4-Discontinued Operations.

Earnings Per Share (Detail) (USD $) In Thousands, except Per Share data, unless otherwise specified	3 Months Ended		6 Months Ended	
	Dec. 01, 2012	Dec. 03, 2011	Dec. 01, 2012	Dec. 03, 2011
Earnings Per Share, Basic, by Common Class, Including Two Class Method [Line Items]				
Income from continuing operations, Basic	$ 581	$ 1,629	$ 1,315	$ 2,658
Undistributed earnings (losses), Basic	(304)	797	(484)	980
Total undistributed earnings (losses), Basic	(304)	797	(484)	980
Income (loss) from discontinued operations, Basic	(203)	(799)	(290)	1,803
Undistributed earnings (losses), Basic	(1,088)	(1,631)	(2,089)	125
Total undistributed earnings (losses), Basic	(1,088)	(1,631)	(2,089)	125
Net income, Basic	378	830	1,025	4,461
Undistributed earnings (losses), Basic	(507)	(2)	(774)	2,783
Total undistributed earnings (losses), Basic	(507)	(2)	(774)	2,783
Income from continuing operations, Diluted	581	1,629	1,315	2,658
Undistributed earnings (losses), Diluted	(304)	797	(484)	980
Total undistributed earnings (losses), Diluted	(304)	797	(484)	980
Income (loss) from discontinued operations, Diluted	(203)	(799)	(290)	1,803
Total undistributed earnings (losses), Diluted	(1,088)	(1,631)	(2,089)	125
Total undistributed earnings (losses), Diluted	(1,088)	(1,631)	(2,089)	125
Net income, Diluted	378	830	1,025	4,461
Undistributed earnings (losses), Diluted	(507)	(2)	(774)	2,783
Total undistributed earnings (losses), Diluted	(507)	(2)	(774)	2,783
Effect of dilutive securities Dilutive stock options	96	152	100	167
Denominator for diluted EPS adjusted for weighted average shares and assumed conversions	15,345	17,161	15,567	17,319
Common Stock				
Earnings Per Share, Basic, by Common Class, Including Two Class Method [Line Items]				
Dividends from continuing operations, Basic	737	699	1,495	1,413
Total undistributed earnings (losses), Basic	(253)	671	(402)	826
Dividends from discontinued operations, Basic	737	699	1,495	1,413
Total undistributed earnings (losses), Basic	(904)	(1,373)	(1,734)	105
Dividends, Basic	737	699	1,495	1,413
Undistributed earnings (losses), Basic	(421)	(2)	(643)	2,345
Total undistributed earnings (losses), Basic	(421)	(2)	(643)	2,345
Weighted average shares, Basic	12,437	14,069	12,604	14,206
Income from continuing operations per share, Basic	$ 0.04	$ 0.10	$ 0.09	$ 0.16
Income (loss) from discontinued operations per share, Basic	$ (0.01)	$ (0.05)	$ (0.02)	$ 0.11
Net income per share, Basic	$ 0.03	$ 0.05	$ 0.07	$ 0.27
Dividends from continuing operations, Diluted	737	699	1,495	1,413
Total undistributed earnings (losses), Diluted	(253)	672	(402)	827

Dividends from discontinued operations, Diluted	737	699	1,495	1,413
Total undistributed earnings (losses), Diluted	(905)	(1,375)	(1,737)	106
Total undistributed earnings (losses), Diluted	(905)	(1,375)	(1,737)	106
Dividends, Diluted	737	699	1,495	1,413
Undistributed earnings (losses), Diluted	(422)	(2)	(643)	2,350
Total undistributed earnings (losses), Diluted	(422)	(2)	(643)	2,350
Common shares - Basic	12,437	14,069	12,604	14,206
Income from continuing operations per share, Diluted	$ 0.04	$ 0.09	$ 0.08	$ 0.15
Income (loss) from discontinued operations per share, Diluted	$ (0.01)	$ (0.05)	$ (0.02)	$ 0.10
Net income per share, Diluted	$ 0.03	$ 0.04	$ 0.06	$ 0.25
Class B Common Stock				
Earnings Per Share, Basic, by Common Class, Including Two Class Method [Line Items]				
Dividends from continuing operations, Basic	148	133	304	265
Total undistributed earnings (losses), Basic	(51)	126	(82)	154
Dividends from discontinued operations, Basic	148	133	304	265
Total undistributed earnings (losses), Basic	(184)	(258)	(355)	20
Dividends, Basic	148	133	304	265
Undistributed earnings (losses), Basic	(86)		(131)	438
Total undistributed earnings (losses), Basic	(86)		(131)	438
Weighted average shares, Basic	2,812	2,940	2,863	2,946
Income from continuing operations per share, Basic	$ 0.03	$ 0.09	$ 0.08	$ 0.14
Income (loss) from discontinued operations per share, Basic	$ (0.01)	$ (0.04)	$ (0.02)	$ 0.10
Net income per share, Basic	$ 0.02	$ 0.05	$ 0.06	$ 0.24
Dividends from continuing operations, Diluted	148	133	304	265
Total undistributed earnings (losses), Diluted	(51)	125	(82)	153
Dividends from discontinued operations, Diluted	148	133	304	265
Total undistributed earnings (losses), Diluted	(183)	(256)	(352)	19
Total undistributed earnings (losses), Diluted	(183)	(256)	(352)	19
Dividends, Diluted	148	133	304	265
Undistributed earnings (losses), Diluted	(85)		(131)	433
Total undistributed earnings (losses), Diluted	$ (85)		$ (131)	$ 433
Common shares - Basic	2,812	2,940	2,863	2,946
Income from continuing operations per share, Diluted	$ 0.03	$ 0.09	$ 0.08	$ 0.14
Income (loss) from discontinued operations per share, Diluted	$ (0.01)	$ (0.04)	$ (0.02)	$ 0.10
Net income per share, Diluted	$ 0.02	$ 0.05	$ 0.06	$ 0.24

Assets and Liabilities Classified as Discontinued Operations (Detail) (USD $) In Thousands, unless otherwise specified	Dec. 01, 2012		Jun. 02, 2012	
Income Statement, Balance Sheet and Additional Disclosures by Disposal Groups, Including Discontinued Operations [Line Items]				
Inventories	$ 248		$ 503	
Prepaid expenses and other assets			11	
Discontinued operations-Assets	248	[1]	514	[1]
Accrued liabilities-current	418	[2]	253	[2]
Long-term income tax liabilities	1,380	[3]	1,361	[3]
Discontinued operations-Liabilities	$ 1,798		$ 1,614	

[1] See Footnote 4-Discontinued Operations.

[2] Included in accrued liabilities as of December 1, 2012, is a payable to Arrow for transition services of $ 1.8 million, offset by a receivable due to us from Arrow for transition services of $1.4 million.

[3] Included in long-term income tax liabilites as of December 1, 2012, is the reserve for uncertain tax positions.

LEASE OBLIGATIONS, OTHER COMMITMENTS, AND CONTINGENCIES (Tables)	6 Months Ended
	Dec. 01, 2012
Future lease commitments charges	Our future minimum lease commitments, including common area maintenance charges and property taxes during the remainder of fiscal 2013 and the next four years have been adjusted to reflect the Transaction as follows *(in thousands)* :

Fiscal Year	Payments
Remaining Fiscal 2013	$575
2014	$717
2015	$661
2016	$396
2017	$22
Thereafter	$—
Total	**$2,371**

Segment Reporting - Additional Information (Detail)	3 Months Ended Dec. 01, 2012
Segment Reporting Information [Line Items]	
Credit payment period	30 days

Lease Obligations Other Commitments and Contingencies - Additional Information (Detail) (USD $) In Millions, unless otherwise specified	6 Months Ended Dec. 01, 2012
Commitments and Contingencies Disclosure [Line Items]	
Rent expense from continuing operations during the first three months of fiscal 2013	$ 0.7

Changes in Carrying Value of Goodwill (Detail) (USD $) In Thousands, unless otherwise specified	6 Months Ended Dec. 01, 2012
Goodwill [Line Items]	
Goodwill, Beginning balance	$ 1,261
Premium Paid for D and C Acquisition	911
Foreign currency translation	97
Goodwill, Ending balance	2,269
Powerlink Specialist Electronics Support Limited	
Goodwill [Line Items]	
Goodwill, Beginning balance	1,261
Foreign currency translation	97
Goodwill, Ending balance	1,358
D and C Import-Export Inc.	
Goodwill [Line Items]	
Premium Paid for D and C Acquisition	911
Goodwill, Ending balance	$ 911

Operating Results by Segment (Detail) (USD $) In Thousands, unless otherwise specified	3 Months Ended		6 Months Ended	
	Dec. 01, 2012	Dec. 03, 2011	Dec. 01, 2012	Dec. 03, 2011
Segment Reporting Information [Line Items]				
Net sales	$ 36,603	$ 39,138	$ 72,253	$ 80,649
Gross Profit	10,742	11,690	21,388	24,392
EDG				
Segment Reporting Information [Line Items]				
Net sales	26,186	28,022	51,813	58,751
Gross Profit	7,930	8,546	15,930	18,217
Canvys				
Segment Reporting Information [Line Items]				
Net sales	10,417	11,116	20,440	21,898
Gross Profit	$ 2,812	$ 3,144	$ 5,458	$ 6,175

BASIS OF PRESENTATION	6 Months Ended Dec. 01, 2012
BASIS OF PRESENTATION	**2. BASIS OF PRESENTATION**

The accompanying unaudited consolidated financial statements have been prepared in accordance with United States Generally Accepted Accounting Principles ("GAAP") for interim financial information and the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all the information and notes required by GAAP for complete financial statements.

Our fiscal quarter ends on the Saturday nearest the end of the quarter-ending month. The first six months of fiscal 2013 and 2012 contained 26 and 27 weeks, respectively.

In the opinion of management, all adjustments, which are of a normal and recurring nature, necessary for a fair presentation of the results of interim periods have been made. All inter-company transactions and balances have been eliminated. The unaudited consolidated financial statements presented herein include the accounts of our wholly owned subsidiaries. The results of our operations for the three and six months ended December 1, 2012, are not necessarily indicative of the results that may be expected for the fiscal year ending June 1, 2013.

The financial information contained in this report should be read in conjunction with our Annual Report on Form 10-K for the fiscal year ended June 2, 2012, that we filed on July 27, 2012.

Future Minimum Lease Commitments (Detail) (USD $) In Thousands, unless otherwise specified	Dec. 01, 2012
Future Minimum Payments Under Non-Cancelable Operating Leases With Initial Terms Of One-Year Or More [Line Items]	
Remaining Fiscal 2013	$ 575
2014	717
2015	661
2016	396
2017	22
Thereafter	
Total	$ 2,371

Description of Company - Additional Information (Detail) (USD $) In Millions, unless otherwise specified	1 Months Ended	3 Months Ended				
	Mar. 01, 2011	Dec. 03, 2011	May 28, 2011	Sep. 05, 2011	Sep. 05, 2011 Powerlink Specialist Electronics Support Limited	Sep. 04, 2012 D and C Import-Export Inc.
Organization, Consolidation and Presentation of Financial Statements Disclosure [Line Items]						
Sale of assets and liabilities to Arrow Electronics, Inc.	$ 238.8					
Working Capital Adjustment on Divestiture of Business Division	27.0		4.2			
Cash Divested From Business Divestiture		3.9				
Acquisition of assets					2.3	2.6
Working capital adjustment related to payables paid by Powerlink				$ 0.2	$ 0.2	

FAIR VALUE MEASUREMENTS (Tables)	6 Months Ended Dec. 01, 2012
Investments measured at fair value on a recurring basis	Investments measured at fair value on a recurring basis subject to the disclosure requirements of ASC 820 as of December 1, 2012, and June 2, 2012, were as follows (*in thousands*):

	Level 1	Level 2	Level 3
December 1, 2012			
Time deposits/CDs	$93,369	$—	$—
Equity securities	406	—	—
Total	**$93,775**	**$—**	**$—**
June 2, 2012			
Time deposits/CDs	$115,318	$—	$—
Equity securities	374	—	—
Total	**$115,692**	**$—**	**$—**

Income Taxes - Additional Information (Detail) (USD $) In Millions, unless otherwise specified	6 Months Ended		
	Dec. 01, 2012	Dec. 03, 2011	Jun. 02, 2012
Income Tax [Line Items]			
Effective income tax rate from continuing operations	15.30%	34.70%	
Federal statutory rate	34.00%		
Income tax year under federal audit in U.S.	2011		
Description of tax years open for examination in foreign tax jurisdictions	Our primary foreign tax jurisdictions are Germany and the Netherlands. We have tax years open in Germany and the Netherlands beginning in fiscal 2007.		
Cumulative positive earnings of foreign subsidiaries	$ 46.7		
Liability for uncertain tax positions related to continuing operations, excluding interest and penalties	0.4		0.5
Minimum			
Income Tax [Line Items]			
Change in unrecognized tax benefits related to continuing operations, excluding interest and penalties	0		
Maximum			
Income Tax [Line Items]			
Change in unrecognized tax benefits related to continuing operations, excluding interest and penalties	$ 0.03		

Updates to Critical Accounting Policies and Estimates - Additional Information (Detail) (USD $)	Dec. 01, 2012	Jun. 02, 2012
Update Of Summary Of Significant Accounting Policies [Line Items]		
Finished Goods Included in inventories	$ 32,700,000	$ 31,800,000
Raw material and Work in progress included in inventories	2,600,000	2,900,000
Goodwill	2,269,000	1,261,000
Powerlink Specialist Electronics Support Limited		
Update Of Summary Of Significant Accounting Policies [Line Items]		
Goodwill	1,358,000	1,261,000
D and C Import-Export Inc.		
Update Of Summary Of Significant Accounting Policies [Line Items]		
Goodwill	$ 911,000	

Discontinued Operations - Additional Information (Detail) (USD $) In Millions, unless otherwise specified	3 Months Ended			
	Dec. 03, 2011	Sep. 03, 2011	May 28, 2011	Mar. 01, 2011
Discontinued Operations [Line Items]				
Sale of the assets, certain liabilities and certain other Company assets				$ 238.8
Estimated pre-closing working capital adjustment				27.0
Reduction in purchase price due to post-closing working capital adjustment			4.2	
Payment to settle agreed upon working capital adjustment	3.9			
Reduction in deferred tax liability		$ 2.1		

DESCRIPTION OF THE COMPANY	6 Months Ended Dec. 01, 2012

DESCRIPTION OF THE COMPANY

1. DESCRIPTION OF THE COMPANY

Richardson Electronics, Ltd. (“we”, “us”, “the Company”, and “our”) is incorporated in the state of Delaware. We are a leading global provider of engineered solutions, power grid and microwave tubes and related components, and customized display solutions, serving customers in the alternative energy, aviation, broadcast, communications, industrial, marine, medical, military, scientific, and semiconductor markets. Our strategy is to provide specialized technical expertise and “engineered solutions” based on our core engineering and manufacturing capabilities. We provide solutions and add value through design-in support, systems integration, prototype design and manufacturing, testing, logistics, and aftermarket technical service and repair.

Our products include electron tubes and related components, microwave generators, subsystems used in semiconductor manufacturing, and visual technology solutions. These products are used to control, switch or amplify electrical power signals, or are used as display devices in a variety of industrial, commercial, medical, and communication applications.

On March 1, 2011, we completed the sale of the assets primarily used or held for use in, and certain liabilities of, our RF, Wireless and Power Division (“RFPD”), as well as certain other Company assets, including our information technology assets, to Arrow Electronics, Inc. (“Arrow”) in exchange for $238.8 million, which included an estimated pre-closing working capital adjustment of approximately $27.0 million (“the Transaction.”) During the fourth quarter of fiscal 2011, we recorded a working capital adjustment of $4.2 million in our results from discontinued operations. During the second quarter of fiscal 2012, we paid Arrow $3.9 million to settle the agreed upon working capital adjustment.

On September 5, 2011, we acquired the assets of Powerlink Specialist Electronics Support Limited (“Powerlink”) for approximately $2.3 million, including a working capital adjustment of $0.2 million related to payables of approximately $0.2 million that were paid by Powerlink prior to the close. Powerlink, a UK-based technical service company with locations in London and Dubai, services traveling wave tube (“TWT”) amplifiers and related equipment for the Satellite Communications market throughout Europe and the Middle East. This acquisition positions us to provide cost-effective service of microwave and power grid tube equipment for communications, industrial, military, and medical users around the world.

On September 4, 2012, we acquired the assets of D and C Import-Export, Inc. (“D and C”) for approximately $2.6 million. D and C, a Florida-based distributor of power grid tubes and associated RF components, services the commercial, broadcast, medical, industrial, scientific, and military markets. This acquisition provides us with access to additional product lines, vendors, and customers.

We have two operating segments, which we define as follows:

Electron Device Group (“EDG”) provides engineered solutions and distributes electronic components to customers in alternative energy, aviation, broadcast, communications, industrial, marine, medical, military, scientific, and semiconductor markets. EDG focuses on various applications including broadcast transmission, CO_2 laser cutting, diagnostic imaging, dielectric and induction heating, high energy transfer, high voltage switching, plasma, power conversion, radar, and radiation oncology. EDG also offers its customers technical services for both microwave and industrial equipment.

Canvys provides global customized display solutions serving the corporate enterprise, financial, healthcare, industrial, and medical original equipment manufacturer (“OEM”) markets.

We currently have operations in the following major geographic regions:

- North America;
- Asia/Pacific;
- Europe; and
- Latin America.

Discontinued Operations (Detail) (USD $) In Thousands, unless otherwise specified	3 Months Ended		6 Months Ended	
	Dec. 01, 2012	Dec. 03, 2011	Dec. 01, 2012	Dec. 03, 2011
Discontinued Operations [Line Items]				
Net sales	$ 278	$ 816	$ 499	$ 1,691
Gross profit (loss)	(128)	(105)	(221)	(374)
Selling, general, and administrative expenses	201	29	266	(448)
Other (income) expense	1		1	
Additonal gain on sale				(266)
Income tax provision (benefit)	(127)	665	(198)	(1,463)
Income (loss) from discontinued operations, net of tax	$ (203)	$ (799)	$ (290)	$ 1,803

Investments - Additional Information (Detail) (USD $) In Millions, unless otherwise specified	3 Months Ended		6 Months Ended		
	Dec. 01, 2012	Dec. 03, 2011	Dec. 01, 2012	Dec. 03, 2011	Jun. 02, 2012
Investment [Line Items]					
Investment in time deposits and certificate of deposits	$ 93.4		$ 93.4		
Investment in time deposits and certificate of deposits, less than twelve months	86.4		86.4		
Investment in time deposits and certificate of deposits, greater than twelve months	7.0		7.0		
Investments, which are included in non-current assets	0.4		0.4		0.4
Proceeds from the sale of securities	$ 0.1		$ 0.1	$ 0.1	
Proceeds from the sale of securities description		less than $0.1 million			
Gross realized gains and losses on sale, description	Less than $0.1 million	Less than $0.1 million	Less than $0.1 million	Less than $0.1 million	
Net unrealized holding gains, description	Less than $0.1 million	Less than $0.1 million	Less than $0.1 million	Less than $0.1 million	

Consolidated Balance Sheets (USD $) In Thousands, unless otherwise specified	Dec. 01, 2012	Jun. 02, 2012
Current assets:		
Cash and cash equivalents	$ 53,518	$ 43,893
Accounts receivable, less allowance of $1,047 and $1,058	21,706	19,727
Inventories	35,252	34,675
Prepaid expenses and other assets	1,287	806
Deferred income taxes	2,029	2,095
Income tax receivable	6,381	6,572
Investments - current	86,395	105,009
Discontinued operations - assets	248 [1]	514 [1]
Total current assets	206,816	213,291
Non-current assets:		
Property, plant and equipment, net	4,438	4,375
Goodwill	2,269	1,261
Other intangibles	272	355
Non-current deferred income taxes	1,474 [2]	1,458 [2]
Investments - non-current	7,380	10,683
Total non-current assets	15,833	18,132
Total assets	222,649	231,423
Current liabilities:		
Accounts payable	13,960	12,611
Accrued liabilities	8,302	8,466
Discontinued operations - liabilities	418	253
Total current liabilities	22,680	21,330
Non-current liabilities:		
Long-term income tax liabilities	6,947	7,306
Other non-current liabilities	1,385	1,213
Discontinued operations - non-current liabilities	1,380	1,361
Total non-current liabilities	9,712	9,880
Total liabilities	32,392	31,210
Commitments and contingencies		
Stockholders' equity		
Preferred stock, $1.00 par value, no shares issued		
Additional paid-in-capital	76,914	88,217
Common stock in treasury, at cost, -0- shares at December 1, 2012, and 18 shares at June 2, 2012		(216)
Retained earnings	103,366	104,139
Accumulated other comprehensive income	9,225	7,273
Total stockholders' equity	190,257	200,213
Total liabilities and stockholders' equity	222,649	231,423

Common Stock		
Stockholders' equity		
Common stock	611	654
Class B Common Stock		
Stockholders' equity		
Common stock	$ 141	$ 146

[1] See Footnote 4-Discontinued Operations.

[2] Other assets primarily include non-current deferred income taxes.

Calculation of Earnings Per Share - Additional Information (Detail)	3 Months Ended		6 Months Ended	
	Dec. 01, 2012	Dec. 03, 2011	Dec. 01, 2012	Dec. 03, 2011
Computation Of Earnings Per Share Line Items				
Preferred stock shares, authorized	5,000,000		5,000,000	
Common stock options anti-dilutive	477,064,000	183,500,000	267,564,000	25,000,000
Common Stock				
Computation Of Earnings Per Share Line Items				
Common stock shares, authorized	30,000,000		30,000,000	
Class B Common Stock				
Computation Of Earnings Per Share Line Items				
Common stock shares, authorized	10,000,000		10,000,000	
Number of votes for Class B common stock			10	
Cash dividends Class A common stock			90.00%	

Consolidated Statement of Stockholders' Equity (USD $) In Thousands, unless otherwise specified	Total USD ($)	Common Stock USD ($)	Class B Common Stock USD ($)	Common Stock	Class B Common Stock	Par Value USD ($)	Additional Paid-in Capital USD ($)	Common Stock in Treasury USD ($)	Retained Earnings USD ($)	Retained Earnings Common Stock USD ($)	Retained Earnings Class B Common Stock USD ($)	Accumulated Other Comprehensive Income (loss) USD ($)
Beginning Balance at Jun. 02, 2012	$ 200,213					$ 800	$ 88,217	$ (216)	$ 104,139			$ 7,273
Beginning Balance (in shares) at Jun. 02, 2012				13,074	2,920							
Net income	1,025								1,025			
Foreign currency translation	1,947											1,947
Fair value adjustments on investments	5											5
Share-based compensation:												
Stock options	332						332					
Common stock:												
Options exercised (in shares)				13								
Options exercised	82					1	81					
Cancelled shares					(105)							
Repurchase of common stock	(11,549)							(11,549)				
Treasury stock (in shares)				(908)	(75)							
Treasury stock						(49)	(11,717)	11,766				
Other (in shares)				105								
Other	1						1	(1)	1			
Dividends paid												
Dividends declared to common stock		(1,495)	(304)							(1,495)	(304)	
Ending Balance at Dec. 01, 2012	$ 190,257					$ 752	$ 76,914		$ 103,366			$ 9,225
Ending Balance (in shares) at Dec. 01, 2012				12,284	2,740							

Acquisitions - Additional Information (Detail) (USD $) In Millions, unless otherwise specified	Dec. 01, 2012	Dec. 03, 2011	Sep. 05, 2011	Sep. 05, 2011 Powerlink Specialist Electronics Support Limited	Sep. 04, 2012 D and C Import-Export Inc.
Business Acquisition [Line Items]					
Acquisition of assets				$ 2.3	$ 2.6
Working capital adjustment included in assets			0.2	0.2	
Trade receivables included in purchase price	0.2	0.4			
Inventory included in purchase price	1.5	0.2			
Other intangibles included in purchase price		0.4			
Goodwill included in purchase price	$ 0.9	$ 1.4			

UPDATES TO CRITICAL ACCOUNTING POLICIES AND ESTIMATES (Policies)	6 Months Ended Dec. 01, 2012
Inventories	**Inventories:** Our worldwide inventories are stated at the lower of cost or market, generally using a weighted-average cost method. Our inventories included approximately $32.7 million of finished goods and $2.6 million of raw materials and work-in-progress as of December 1, 2012, as compared to approximately $31.8 million of finished goods and $2.9 million of raw materials and work-in-progress as of June 2, 2012. At this time, we do not anticipate any material risks or uncertainties related to possible future inventory write-downs.
Revenue Recognition	**Revenue Recognition:** Our product sales are recognized as revenue upon shipment, when title passes to the customer, when delivery has occurred or services have been rendered, and when collectability is reasonably assured. We also record estimated discounts and returns based on our historical experience. Our products are often manufactured to meet the specific design needs of our customers' applications. Our engineers work closely with customers to ensure that our products will meet their needs. Our customers are under no obligation to compensate us for designing the products we sell. In the limited cases where remaining obligations exist after delivery of the product, the obligation relative to the unit of accounting is inconsequential or perfunctory. This conclusion was reached based on the following facts: the timing of any remaining obligation is agreed upon with the customer, which in most cases, is performed immediately after the delivery of the product; the cost and time involved to complete the remaining obligation is minimal, and the costs and time do not vary significantly; we have a demonstrated history of completing the remaining obligations timely; and finally, failure to complete the remaining obligation does not enable the customer to receive a full or partial refund of the product or service.
Discontinued Operations	**Discontinued Operations:** In accordance with Accounting Standards Codification ("ASC") 205-20, *Presentation of Financial Statements- Discontinued Operations* ("ASC 205-20"), we reported the financial results of RFPD as a discontinued operation. Refer to Note 4 "Discontinued Operations" of our notes to our unaudited consolidated financial statements for additional discussion on the sale of RFPD.
Loss Contingencies	**Loss Contingencies:** We accrue a liability for loss contingencies when it is probable that a liability has been incurred and the amount can be reasonably estimated. When only a range of possible loss can be established, the most probable amount in the range is accrued. If no amount within this range is a better estimate than any other amount within the range, the minimum amount in the range is accrued. If we determine that there is at least a reasonable possibility that a loss may have been incurred, we will include a disclosure describing the contingency.
Goodwill and Other Intangible Assets	**Goodwill and Other Intangible Assets:** Goodwill is initially recorded based on the premium paid for acquisitions and is subsequently tested for impairment. We test goodwill for impairment annually and whenever events or circumstances indicate an impairment may have occurred, such as a significant adverse change in the business climate, loss of key personnel or a decision to sell or dispose of a reporting unit. As of December 1, 2012, our goodwill balance was $2.3 million and represents the premium we paid for Powerlink of $1.4 million during the second quarter of

fiscal 2012, adjusted for foreign currency translation, and the premium we paid for D and C of $0.9 million during our second quarter of fiscal 2013.

During the fourth quarter of each fiscal year, our goodwill balances are reviewed for impairment using the last day of our third quarter as the measurement date. In accordance with ASC 350 *"Intangibles—Goodwill and Other"* ("ASC 350"), if indicators of impairment are deemed to be present, we would perform an interim impairment test and any resulting impairment loss would be charged to expense in the period identified.

During the fourth quarter of fiscal 2012, we adopted Accounting Standards Update ("ASU") 2011-08 which allows a company the option to perform a qualitative evaluation about the likelihood of goodwill impairment to determine whether it must then calculate the fair value of an operating segment. We applied this qualitative approach to our EDG operating segment and concluded that indications of impairment were not present as of June 2, 2012. The qualitative factors considered included macroeconomic conditions, industry and market considerations, cost factors, overall financial performance, and other relevant entity or reporting unit specific events.

Intangible assets are initially recorded at their fair market values determined on quoted market prices in active markets, if available, or recognized valuation models. Intangible assets that have finite useful lives are amortized on a straight-line basis over their useful lives.

Our intangible assets represent the fair value that we determined for customer relationships acquired in connection with the acquisition of Powerlink during the second quarter of our fiscal year 2012. The fair value was based upon discounted cash flows that the customer relationships are expected to generate over the next twenty years.

Goodwill and Other Intangible Assets - Additional Information (Detail) (USD $) In Thousands, unless otherwise specified	6 Months Ended	
	Dec. 01, 2012	Jun. 02, 2012
Goodwill and Intangible Assets Disclosure [Line Items]		
Goodwill	$ 2,269	$ 1,261
Weighted average number of years of amortization expense	13 years 11 months 19 days	
Powerlink Specialist Electronics Support Limited		
Goodwill and Intangible Assets Disclosure [Line Items]		
Goodwill	1,358	1,261
D and C Import-Export Inc.		
Goodwill and Intangible Assets Disclosure [Line Items]		
Goodwill	$ 911	

GOODWILL AND OTHER INTANGIBLE ASSETS (Tables)

6 Months Ended

Dec. 01, 2012

Changes in Carrying Value of Goodwill

Changes in the carrying value of goodwill are as follows *(in thousands)*:

	Powerlink	D and C	TOTAL
Balance at June 2, 2012	**$ 1,261**	**$ —**	**$1,261**
Premium Paid for D and C Acquisition	—	911	911
Foreign currency translation	97	—	97
Balance at December 1, 2012	**$ 1,358**	**$ 911**	**$2,269**

Intangible assets subject to amortization

Intangible assets subject to amortization as well as amortization expense are as follows *(in thousands)*:

	Intangible Assets Subject to Amortization as of	
	Dec 1, 2012	June 2, 2012
Gross Amounts:		
Customer Relationship	$ 335	$ 363
Foreign currency translation	(4)	—
Total Gross Amounts	$ 331	$ 363
Accumulated Amortization:		
Customer Relationship	$ 59	$ 8
Total Accumulated Amortization	$ 59	$ 8

Intangible Assets Amortization expense

The amortization expense associated with the intangible assets subject to amortization for the next five years is presented in the following table (in thousands):

	Amortization Expense
Fiscal Year	
Remaining fiscal 2013	$ 21
2014	$ 36
2015	$ 31
2016	$ 27
2017	$ 17
Thereafter	$ 140

Consolidated Statement of Stockholders' Equity (Parenthetical) (USD $)	6 Months Ended Dec. 01, 2012
Common Stock	
Dividends per common share	$ 0.12
Class B Common Stock	
Dividends per common share	$ 0.108

Consolidated Balance Sheets (Parenthetical) (USD $) In Thousands, except Per Share data, unless otherwise specified	Dec. 01, 2012	Jun. 02, 2012
Accounts receivable, allowance	$ 1,047	$ 1,058
Preferred stock, par value	$ 1.00	$ 1.00
Preferred stock, shares issued		
Common stock in treasury	0	18
Common Stock		
Common stock, par value	$ 0.05	$ 0.05
Common stock, shares issued	12,284	13,074
Class B Common Stock		
Common stock, par value	$ 0.05	$ 0.05
Common stock, shares issued	2,740	2,920

INCOME TAXES	6 Months Ended Dec. 01, 2012
INCOME TAXES	**10. INCOME TAXES** The effective income tax rate from continuing operations during the first six months of fiscal 2013 was 15.3% as compared to 34.7% during the first six months of fiscal 2012. The decrease in rate during the first six months of fiscal 2013, as compared to fiscal 2012, was due to the decrease in available cash in foreign jurisdictions to distribute unremitted foreign earnings with respect to ASC 740-30, *Income Taxes – Other Considerations or Special Areas.* The effective rate as compared to the federal statutory rate of 34.0% resulted from our geographical distribution of taxable income or losses, apportionment of income to various states, in addition to our position with respect to ASC 740-30, *Income Taxes – Other Considerations or Special Areas*. In the normal course of business, we are subject to examination by taxing authorities throughout the world. We are no longer subject to either U.S. federal, state or local, or non-U.S. tax examinations by tax authorities for years prior to fiscal 2004. Currently, we are under federal audit in the U.S. for fiscal year 2011. Based on the recent commencement of the audit, no tax matters have arisen that would result in material adjustments. Our primary foreign tax jurisdictions are Germany and the Netherlands. We have tax years open in Germany and the Netherlands beginning in fiscal 2007. As of December 1, 2012, $46.7 million of cumulative positive earnings of some of our foreign subsidiaries are still considered permanently reinvested pursuant to ASC 740-30, *Income Taxes-Other Considerations or Special Areas*. It is not practical to determine what, if any, tax liability might exist if such earnings were to be repatriated. As of December 1, 2012, our worldwide liability for uncertain tax positions related to continuing operations, excluding interest and penalties, was $0.4 million as compared to $0.5 million as of June 2, 2012. We record penalties and interest relating to uncertain tax positions in the income tax expense line item within the unaudited consolidated statements of income and comprehensive income. It is reasonably possible that there will be a change in the unrecognized tax benefits related to continuing operations, excluding interest and penalties, in the range of $0 to approximately $0.03 million due to the expiration of various statutes of limitations within the next 12 months.

Document and Entity Information	6 Months Ended Dec. 01, 2012	Jan. 07, 2013 Common Stock	Jan. 07, 2013 Class B Common Stock
Document Information [Line Items]			
Document Type	10-Q		
Amendment Flag	false		
Document Period End Date	Dec. 01, 2012		
Document Fiscal Year Focus	2013		
Document Fiscal Period Focus	Q2		
Trading Symbol	RELL		
Entity Registrant Name	RICHARDSON ELECTRONICS LTD/DE		
Entity Central Index Key	0000355948		
Current Fiscal Year End Date	--06-01		
Entity Filer Category	Accelerated Filer		
Entity Common Stock, Shares Outstanding		12,293,532	2,739,569

CALCULATION OF EARNINGS PER SHARE	6 Months Ended Dec. 01, 2012
CALCULATION OF EARNINGS PER SHARE	

11. CALCULATION OF EARNINGS PER SHARE

We have authorized 30,000,000 shares of common stock, 10,000,000 shares of Class B common stock, and 5,000,000 shares of preferred stock. The Class B common stock has 10 votes per share and has transferability restrictions; however, Class B common stock may be converted into common stock on a share-for-share basis at any time. With respect to dividends and distributions, shares of common stock and Class B common stock rank equally and have the same rights, except that Class B common stock cash dividends are limited to 90% of the amount of Class A common stock cash dividends.

In accordance with ASC 260-10, *Earnings Per Share* ("ASC 260"), our Class B common stock is considered a participating security requiring the use of the two-class method for the computation of basic and diluted earnings per share. The two-class computation method for each period reflects the cash dividends paid per share for each class of stock, plus the amount of allocated undistributed earnings per share computed using the participation percentage which reflects the dividend rights of each class of stock. Basic and diluted earnings per share were computed using the two-class method as prescribed in ASC 260. The shares of Class B common stock are considered to be participating convertible securities since the shares of Class B common stock are convertible on a share-for-share basis into shares of common stock and may participate in dividends with common stock according to a predetermined formula which is 90% of the amount of Class A common stock cash dividends.

The earnings per share ("EPS") presented in our unaudited consolidated statements of comprehensive income (loss) are based on the following amounts (*in thousands, except per share amounts*):

	Three Months Ended			
	December 1, 2012		December 3, 2011	
	Basic	Diluted	Basic	Diluted
Numerator for Basic and Diluted EPS:				
Income from continuing operations	$581	$581	$1,629	$1,629
Less dividends:				
Common stock	737	737	699	699
Class B common stock	148	148	133	133
Undistributed earnings (losses)	$(304)	$(304)	$797	$797
Common stock undistributed earnings (losses)	$(253)	$(253)	$671	$672
Class B common stock undistributed earnings (losses)	(51)	(51)	126	125
Total undistributed earnings (losses)	$(304)	$(304)	$797	$797
Income (loss) from discontinued operations	$(203)	$(203)	$(799)	$(799)
Less dividends:				
Common stock	737	737	699	699
Class B common stock	148	148	133	133

Undistributed earnings (losses)	$(1,088)	$(1,088)	$(1,631)	$(1,631)
Common stock undistributed earnings (losses)	$(904)	$(905)	$(1,373)	$(1,375)
Class B common stock undistributed earnings (losses)	(184)	(183)	(258)	(256)
Total undistributed earnings (losses)	$(1,088)	$(1,088)	$(1,631)	$(1,631)
Net income	$378	$378	$830	$830
Less dividends:				
Common stock	737	737	699	699
Class B common stock	148	148	133	133
Undistributed earnings (losses)	$(507)	$(507)	$(2)	$(2)
Common stock undistributed earnings (losses)	$(421)	$(422)	$(2)	$(2)
Class B common stock undistributed earnings (losses)	(86)	(85)	—	—
Total undistributed earnings (losses)	$(507)	$(507)	$(2)	$(2)
Denominator for basic and diluted EPS:				
Common stock weighted average shares	12,437	12,437	14,069	14,069
Class B common stock weighted average shares, and shares under if-converted method for diluted EPS	2,812	2,812	2,940	2,940
Effect of dilutive securities Dilutive stock options		96		152
Denominator for diluted EPS adjusted for weighted average shares and assumed conversions		15,345		17,161
Income from continuing operations per share:				
Common stock	$0.04	$0.04	$0.10	$0.09
Class B common stock	$0.03	$0.03	$0.09	$0.09
Income (loss) from discontinued operations per share:				
Common stock	$(0.01)	$(0.01)	$(0.05)	$(0.05)
Class B common stock	$(0.01)	$(0.01)	$(0.04)	$(0.04)
Net income per share:				
Common stock	$0.03	$0.03	$0.05	$0.04
Class B common stock	$0.02	$0.02	$0.05	$0.05

Note: Common stock options that were anti-dilutive and not included in diluted earnings per common share for the second quarter of fiscal 2013 and fiscal 2012 were 477,064 and 183,500, respectively.

	Six Months Ended			
	December 1, 2012		December 3, 2011	
	Basic	Diluted	Basic	Diluted
Numerator for Basic and Diluted EPS:				
Income from continuing operations	$1,315	$1,315	$2,658	$2,658

Less dividends:				
Common stock	1,495	1,495	1,413	1,413
Class B common stock	304	304	265	265
Undistributed earnings (losses)	$(484)	$(484)	$980	$980
Common stock undistributed earnings (losses)	$(402)	$(402)	$826	$827
Class B common stock undistributed earnings (losses)	(82)	(82)	154	153
Total undistributed earnings (losses)	$(484)	$(484)	$980	$980
Income (loss) from discontinued operations	$(290)	$(290)	$1,803	$1,803
Less dividends:				
Common stock	1,495	1,495	1,413	1,413
Class B common stock	304	304	265	265
Undistributed earnings (losses)	$(2,089)	$(2,089)	$125	$125
Common stock undistributed earnings (losses)	$(1,734)	$(1,737)	$105	$106
Class B common stock undistributed earnings (losses)	(355)	(352)	20	19
Total undistributed earnings (losses)	$(2,089)	$(2,089)	$125	$125
Net income	$1,025	$1,025	$4,461	$4,461
Less dividends:				
Common stock	1,495	1,495	1,413	1,413
Class B common stock	304	304	265	265
Undistributed earnings (losses)	$(774)	$(774)	$2,783	$2,783
Common stock undistributed earnings (losses)	$(643)	$(643)	$2,345	$2,350
Class B common stock undistributed earnings (losses)	(131)	(131)	438	433
Total undistributed earnings (losses)	$(774)	$(774)	$2,783	$2,783
Denominator for basic and diluted EPS:				
Common stock weighted average shares	12,604	12,604	14,206	14,206
Class B common stock weighted average shares,and shares under if-converted method for diluted EPS	2,863	2,863	2,946	2,946
Effect of dilutive securities Dilutive stock options		100		167
Denominator for diluted EPS adjusted for weighted average shares and assumed conversions		15,567		17,319
Income from continuing operations per share:				
Common stock	$0.09	$0.08	$0.16	$0.15
Class B common stock	$0.08	$0.08	$0.14	$0.14
Income (loss) from discontinued operations per share:				
Common stock	$(0.02)	$(0.02)	$0.11	$0.10

Class B common stock	$(0.02)	$(0.02)	$0.10	$0.10
Net income per share:				
Common stock	$0.07	$0.06	$0.27	$0.25
Class B common stock	$0.06	$0.06	$0.24	$0.24

Note: Common stock options that were anti-dilutive and not included in diluted earnings per common share for the first six months of fiscal 2013 and fiscal 2012 were 267,564 and 25,000, respectively.

Consolidated Statements of Comprehensive Income (Loss) (USD $) In Thousands, except Per Share data, unless otherwise specified	3 Months Ended		6 Months Ended	
	Dec. 01, 2012	Dec. 03, 2011	Dec. 01, 2012	Dec. 03, 2011
Net sales	$ 36,603	$ 39,138	$ 72,253	$ 80,649
Cost of sales	25,861	27,448	50,865	56,257
Gross profit	10,742	11,690	21,388	24,392
Selling, general, and administrative expenses	10,228	9,973	20,377	20,745
(Gain) loss on disposal of assets	2		(2)	(70)
Operating income	512	1,717	1,013	3,717
Other (income) expense:				
Investment/interest income	(352)	(281)	(735)	(645)
Foreign exchange (gain) loss	297	(486)	260	295
Other, net	(42)	19	(65)	(2)
Total other income	(97)	(748)	(540)	(352)
Income from continuing operations before income taxes	609	2,465	1,553	4,069
Income tax provision	28	836	238	1,411
Income from continuing operations	581	1,629	1,315	2,658
Income (loss) from discontinued operations, net of tax	(203)	(799)	(290)	1,803
Net income	378	830	1,025	4,461
Foreign currency translation gain (loss), net of tax	1,547	(2,573)	1,947	(1,205)
Fair value adjustments on investments	4	(3)	5	(51)
Comprehensive income (loss)	$ 1,929	$ (1,746)	$ 2,977	$ 3,205
Common Stock				
Net income per Class B common share-Basic:				
Income from continuing operations	$ 0.04	$ 0.10	$ 0.09	$ 0.16
Income (loss) from discontinued operations	$ (0.01)	$ (0.05)	$ (0.02)	$ 0.11
Total net income per Class B common share-Basic:	$ 0.03	$ 0.05	$ 0.07	$ 0.27
Net income per Common share - Diluted:				
Income from continuing operations	$ 0.04	$ 0.09	$ 0.08	$ 0.15
Income (loss) from discontinued operations	$ (0.01)	$ (0.05)	$ (0.02)	$ 0.10
Total net income per Common share - Diluted:	$ 0.03	$ 0.04	$ 0.06	$ 0.25
Weighted average number of shares:				
Common shares - Basic	12,437	14,069	12,604	14,206
Common shares - Diluted	15,345	17,161	15,567	17,319
Dividends per common share	$ 0.060	$ 0.050	$ 0.120	$ 0.100
Class B Common Stock				
Net income per Class B common share-Basic:				
Income from continuing operations	$ 0.03	$ 0.09	$ 0.08	$ 0.14
Income (loss) from discontinued operations	$ (0.01)	$ (0.04)	$ (0.02)	$ 0.10
Total net income per Class B common share-Basic:	$ 0.02	$ 0.05	$ 0.06	$ 0.24
Net income per Common share - Diluted:				

Income from continuing operations	$ 0.03	$ 0.09	$ 0.08	$ 0.14
Income (loss) from discontinued operations	$ (0.01)	$ (0.04)	$ (0.02)	$ 0.10
Total net income per Common share - Diluted:	$ 0.02	$ 0.05	$ 0.06	$ 0.24
Weighted average number of shares:				
Common shares - Basic	2,812	2,940	2,863	2,946
Common shares - Diluted	2,812	2,940	2,863	2,946
Dividends per common share	$ 0.054	$ 0.045	$ 0.108	$ 0.090

ACQUISITIONS	6 Months Ended Dec. 01, 2012
ACQUISITIONS	

5. ACQUISITIONS

On September 5, 2011, we acquired the assets of Powerlink Specialist Electronics Support Limited ("Powerlink") for approximately $2.3 million, including a working capital adjustment of $0.2 million related to payables of approximately $0.2 million that were paid by Powerlink prior to the close. Powerlink, a UK-based technical service company with locations in London and Dubai, services traveling wave tube ("TWT") amplifiers and related equipment for the Satellite Communications market throughout Europe and the Middle East. This acquisition positions us to provide cost-effective service of microwave and power grid tube equipment for communications, industrial, military and medical users around the world.

The allocation of the final purchase price, recorded during the second quarter of fiscal 2012, included $0.4 million of trade receivables, $0.2 million of inventory, $0.4 million of other intangibles, and $1.4 million of goodwill. The goodwill represents the excess of purchase price over the fair market value of the identifiable net assets we acquired. Pro forma financial information is not presented due to immateriality.

On September 4, 2012, we acquired the assets of D and C Import-Export, Inc. ("D and C") for approximately $2.6 million. D and C, a Florida-based distributor of power grid tubes and associated RF components, services the commercial, broadcast, medical, industrial, scientific, and military markets. This acquisition provides us with access to additional product lines, vendors, and customers.

The allocation of the final purchase price, recorded during the second quarter of fiscal 2013, included $0.2 million of trade receivables, $1.5 million of inventory, and $0.9 million of goodwill. The purchase price is preliminary and subject to change based on the completion of a valuation of the respective assets and liabilities. Pro forma financial information is not presented due to immateriality.

DISCONTINUED OPERATIONS	6 Months Ended Dec. 01, 2012

DISCONTINUED OPERATIONS

4. DISCONTINUED OPERATIONS

Arrow Transaction

On March 1, 2011, we completed the sale of the assets primarily used or held for use in, and certain liabilities of, our RF, Wireless and Power Division ("RFPD"), as well as certain other Company assets, including our information technology assets, to Arrow Electronics, Inc. ("Arrow") in exchange for $238.8 million, which included an estimated pre-closing working capital adjustment of approximately $27.0 million ("the Transaction.") During the fourth quarter of fiscal 2011, we recorded a working capital adjustment of $4.2 million in our results from discontinued operations. During the second quarter of fiscal 2012, we paid Arrow $3.9 million to settle the working capital adjustment.

Financial Summary – Discontinued Operations

Summary financial results for the three and six months ended December 1, 2012, and December 3, 2011, are presented in the following table (*in thousands*):

	Three Months		Six Months	
	Dec 1, 2012	Dec 3, 2011	Dec 1, 2012	Dec 3, 2011
Net sales	$ 278	$ 816	$ 499	$ 1,691
Gross profit (loss)	(128)	(105)	(221)	(374)
Selling, general, and administrative expenses	201	29	266	(448)
Other (income) expense	1	—	1	—
Additonal gain on sale	—	—	—	(266)
Income tax provision (benefit)	(127)	665	(198)	(1,463)
Income (loss) from discontinued operations, net of tax	$ (203)	$ (799)	$ (290)	$ 1,803

Net sales and gross profit (loss) for the three and six months ended December 1, 2012, reflect our financial results relating to the Manufacturing Agreement with Arrow that we entered into in connection with the Transaction. Pursuant to the three-year agreement, we agreed to continue to manufacture certain RFPD products for Arrow. During the first quarter ended September 3, 2011, in connection with an examination by the Internal Revenue Service, we reduced our deferred tax liability by $2.1 million related to our un-repatriated foreign earnings based on a determination of the earnings and profits that would remain in certain foreign subsidiaries after the Arrow transaction.

Assets and liabilities classified as discontinued operations on our unaudited consolidated balance sheets as of December 1, 2012, and June 2, 2012, include the following (*in thousands*):

	Dec 1, 2012	Jun 2, 2012
Inventories	$ 248	$ 503
Prepaid expenses and other assets	—	11
Discontinued operations—Assets	**$ 248**	**$ 514**
Accrued liabilities—current *(1)*	$ 418	$ 253

Long-term income tax liabilities (2)	1,380	1,361
Discontinued operations—Liabilities	**$ 1,798**	**$ 1,614**

(1) *Included in accrued liabilities as of December 1, 2012, is a payable to Arrow for transition services of $ 1.8 million, offset by a receivable due to us from Arrow for transition services of $1.4 million.*

(2) *Included in long-term income tax liabilites as of December 1, 2012, is the reserve for uncertain tax positions.*

In accordance with ASC 230, *Statement of Cash Flows,* entities are permitted but not required to separately disclose, either in the statement of cash flows or footnotes to the financial statements, cash flows pertaining to discontinued operations. Entities that do not present separate operating cash flows information related to discontinued operations must do so consistently for all periods presented, which may include periods long after the sale or liquidation of the operation. Cash flows related to our discontinued operations are not material.

DISCONTINUED OPERATIONS (Tables)	6 Months Ended Dec. 01, 2012

Summary financial results

Summary financial results for the three and six months ended December 1, 2012, and December 3, 2011, are presented in the following table (*in thousands*):

	Three Months		Six Months	
	Dec 1, 2012	Dec 3, 2011	Dec 1, 2012	Dec 3, 2011
Net sales	$ 278	$ 816	$ 499	$ 1,691
Gross profit (loss)	(128)	(105)	(221)	(374)
Selling, general, and administrative expenses	201	29	266	(448)
Other (income) expense	1	—	1	—
Additonal gain on sale	—	—	—	(266)
Income tax provision (benefit)	(127)	665	(198)	(1,463)
Income (loss) from discontinued operations, net of tax	$ (203)	$ (799)	$ (290)	$ 1,803

Assets and liabilities classified as discontinued operations

Assets and liabilities classified as discontinued operations on our unaudited consolidated balance sheets as of December 1, 2012, and June 2, 2012, include the following (*in thousands*):

	Dec 1, 2012	Jun 2, 2012
Inventories	$ 248	$ 503
Prepaid expenses and other assets	—	11
Discontinued operations—Assets	**$ 248**	**$ 514**
Accrued liabilities—current (1)	$ 418	$ 253
Long-term income tax liabilities (2)	1,380	1,361
Discontinued operations—Liabilities	**$ 1,798**	**$ 1,614**

(1) *Included in accrued liabilities as of December 1, 2012, is a payable to Arrow for transition services of $ 1.8 million, offset by a receivable due to us from Arrow for transition services of $1.4 million.*

(2) *Included in long-term income tax liabilites as of December 1, 2012, is the reserve for uncertain tax positions.*

SEGMENT REPORTING	6 Months Ended Dec. 01, 2012
SEGMENT REPORTING	**12. SEGMENT REPORTING**

In accordance with ASC 280-10, *Segment Reporting*, we have two reportable segments: EDG and Canvys.

EDG provides engineered solutions and distributes electronic components to customers in alternative energy, aviation, broadcast, communications, industrial, marine, medical, military, scientific, and semiconductor markets. EDG focuses on various applications including broadcast transmission, CO_2 laser cutting, diagnostic imaging, dielectric and induction heating, high energy transfer, high voltage switching, plasma, power conversion, radar, and radiation oncology. EDG also offers its customers technical services for both microwave and industrial equipment.

Canvys provides global customized display solutions serving the corporate enterprise, financial, healthcare, industrial, and medical original equipment manufacturer ("OEM") markets.

The CEO evaluates performance and allocates resources primarily based on the gross profit of each segment.

Operating results by segment are summarized in the following table (*in thousands*):

	Three Months Ended		Six Months Ended	
	December 1, 2012	December 3, 2011	December 1, 2012	December 3, 2011
EDG				
Net Sales	$ 26,186	$ 28,022	$ 51,813	$ 58,751
Gross Profit	$ 7,930	$ 8,546	$ 15,930	$ 18,217
Canvys				
Net Sales	$ 10,417	$ 11,116	$ 20,440	$ 21,898
Gross Profit	$ 2,812	$ 3,144	$ 5,458	$ 6,175

A reconciliation of assets to the relevant consolidated amount is as follows (*in thousands*):

	December 1, 2012	June 2, 2012
Segment assets	$57,255	$54,768
Cash	53,518	43,893
Investments—current	86,395	105,009
Other current assets (1)	11,941	10,723
Net property	4,438	4,375
Investments—non-current	7,380	10,683
Other assets (2)	1,474	1,458
Assets of discontinued operations (3)	248	514
Total assets	$222,649	$231,423

(1) *Other current assets include miscellaneous receivables, prepaid expenses, and current deferred income taxes.*

(2) *Other assets primarily include non-current deferred income taxes.*

(3) *See Footnote 4—Discontinued Operations.*

Geographic net sales information is primarily grouped by customer destination into five areas: North America; Asia/Pacific; Europe; Latin America; and Other.

Net sales and gross profit by geographic region are summarized in the following table (*in thousands*):

	Three Months Ended		Six Months Ended	
	December 1, 2012	December 3, 2011	December 1, 2012	December 3, 2011
Net Sales				
North America	$ 16,436	$ 16,850	$ 32,182	$ 33,403
Asia/Pacific	5,437	6,159	11,784	14,052
Europe	12,305	12,564	23,042	26,122
Latin America	2,320	2,282	4,767	5,113
Other	105	1,283	478	1,959
Total	$ 36,603	$ 39,138	$ 72,253	$ 80,649
Gross Profit				
North America	$ 5,520	$ 5,303	$ 10,809	$ 10,666
Asia/Pacific	1,860	2,277	4,054	4,937
Europe	3,806	3,962	7,030	8,347
Latin America	788	855	1,616	1,917
Other	(1,232)	(707)	(2,121)	(1,475)
Total	$ 10,742	$ 11,690	$ 21,388	$ 24,392

We sell our products to customers in diversified industries and perform periodic credit evaluations of our customers' financial condition. Terms are generally on open account, payable net 30 days in North America, and vary throughout Asia/Pacific, Europe, and Latin America. Estimates of credit losses are recorded in the financial statements based on monthly reviews of outstanding accounts. *Other* primarily includes net sales not allocated to a specific geographical region, unabsorbed value-add costs, and other unallocated expenses.

WARRANTIES	6 Months Ended Dec. 01, 2012
WARRANTIES	**8. WARRANTIES** We offer warranties for the limited number of specific products we manufacture. We also provide extended warranties for some products we sell that lengthen the period of coverage specified in the manufacturer's original warranty. Our warranty terms generally range from one to three years. Warranty reserves are established for costs that are expected to be incurred after the sale and delivery of products under warranty. Warranty reserves are included in accrued liabilities on our consolidated balance sheets. The warranty reserves are determined based on known product failures, historical experience, and other available evidence. Warranty reserves were approximately $0.2 million as of December 1, 2012, and $0.1 million as of June 2, 2012.

GOODWILL AND OTHER INTANGIBLE ASSETS	6 Months Ended Dec. 01, 2012
GOODWILL AND OTHER INTANGIBLE ASSETS	

6. GOODWILL AND OTHER INTANGIBLE ASSETS

Goodwill is initially recorded based on the premium paid for acquisitions and is subsequently tested for impairment. We test goodwill for impairment annually and whenever events or circumstances indicates an impairment may be occurred, such as a significant adverse change in the business climate, loss of key personnel, or a decision to sell or dispose of a reporting unit. As of December 1, 2012, our goodwill balance was $2.3 million and represents the premium we paid for Powerlink of $1.4 million during our second quarter of fiscal 2012, adjusted for foreign currency translation, and the premium we paid for D and C of $0.9 million during our second quarter of fiscal 2013.

During the fourth quarter of each fiscal year, our goodwill balances are reviewed for impairment using the last day of our third quarter as the measurement date. In accordance with ASC 350, if indicators of impairment are deemed to be present, we would perform an interim impairment test and any resulting impairment loss would be charged to expense in the period identified.

Changes in the carrying value of goodwill are as follows *(in thousands)*:

	Powerlink	D and C	TOTAL
Balance at June 2, 2012	**$ 1,261**	**$ —**	**$1,261**
Premium Paid for D and C Acquisition	—	911	911
Foreign currency translation	97	—	97
Balance at December 1, 2012	**$ 1,358**	**$ 911**	**$2,269**

Intangible assets are initially recorded at their fair market values determined on quoted market prices in active markets, if available, or recognized valuation models. Intangible assets that have finite useful lives are amortized on a straight-line basis over their useful lives.

Our intangible assets represent the fair value for customer relationships acquired in connection with the acquisition of Powerlink during the second quarter of our fiscal year 2012.

Intangible assets subject to amortization as well as amortization expense are as follows *(in thousands)*:

	Intangible Assets Subject to Amortization as of	
	Dec 1, 2012	June 2, 2012
Gross Amounts:		
Customer Relationship	$ 335	$ 363
Foreign currency translation	(4)	—
Total Gross Amounts	$ 331	$ 363
Accumulated Amortization:		
Customer Relationship	$ 59	$ 8
Total Accumulated Amortization	$ 59	$ 8

The amortization expense associated with the intangible assets subject to amortization for the next five years is presented in the following table (in thousands):

	Amortization Expense
Fiscal Year	
Remaining fiscal 2013	$ 21
2014	$ 36
2015	$ 31
2016	$ 27
2017	$ 17
Thereafter	$ 140

The weighted average number of years of amortization expense remaining is 13.97.

INVESTMENTS	6 Months Ended Dec. 01, 2012
INVESTMENTS	**7. INVESTMENTS** As of December 1, 2012, we had approximately $93.4 million invested in time deposits and certificate of deposits (“CD”). Of this, $86.4 million mature in less than twelve months and $7.0 million mature in greater than twelve months. The fair value of these investments is equal to the face value of each time deposit and CD. We also have investments in equity securities, all of which are classified as available-for-sale and are carried at their fair value based on quoted market prices. Our investments, which are included in non-current assets, had a carrying amount of $0.4 million as of December 1, 2012, and as of June 2, 2012. Proceeds from the sale of securities were $0.1 million during the second quarter and first six months of fiscal 2013 and during the first six months of fiscal 2012, and less than $0.1 million during the second quarter of fiscal 2012. We reinvested proceeds from the sale of securities, and the cost of the equity securities sold was based on a specific identification method. Gross realized gains and losses on those sales were less than $0.1 million during the second quarter and first six months of fiscal 2013 and fiscal 2012. Net unrealized holding losses of less than $0.1 million during the second quarter and first six months of fiscal 2013 and fiscal 2012, have been included in accumulated other comprehensive income.

LEASE OBLIGATIONS, OTHER COMMITMENTS, AND CONTINGENCIES	6 Months Ended
	Dec. 01, 2012

LEASE OBLIGATIONS, OTHER COMMITMENTS, AND CONTINGENCIES

9. LEASE OBLIGATIONS, OTHER COMMITMENTS, AND CONTINGENCIES

We lease certain warehouse and office facilities and office equipment under non-cancelable operating leases. Rent expense from continuing operations during the first six months of fiscal 2013 was $0.7 million. Under the terms of the Transaction, Arrow assumed many of our facility leases and we are sub-leasing space from Arrow. Our future minimum lease commitments, including common area maintenance charges and property taxes during the remainder of fiscal 2013 and the next four years have been adjusted to reflect the Transaction as follows *(in thousands)* :

Fiscal Year	Payments
Remaining Fiscal 2013	$575
2014	$717
2015	$661
2016	$396
2017	$22
Thereafter	$—
Total	**$2,371**

Assets and Liabilities Classified as Discontinued Operations (Parenthetical) (Detail) (USD $) In Millions, unless otherwise specified	Dec. 01, 2012
Income Statement, Balance Sheet and Additional Disclosures by Disposal Groups, Including Discontinued Operations [Line Items]	
Payable to arrow for transition services	$ 1.8
Offset receivables for transition services	$ 1.4

Investments Measured at Fair Value on Recurring Basis (Detail) (Fair Value, Measurements, Recurring, Level 1, USD $) In Thousands, unless otherwise specified	Dec. 01, 2012	Jun. 02, 2012
Fair Value, Measurements, Recurring | Level 1		
Fair Value, Assets and Liabilities Measured on Recurring and Nonrecurring Basis [Line Items]		
Time deposits/CDs	$ 93,369	$ 115,318
Equity securities	406	374
Fair value, Total	$ 93,775	$ 115,692

FAIR VALUE MEASUREMENTS	6 Months Ended Dec. 01, 2012
FAIR VALUE MEASUREMENTS	**14. FAIR VALUE MEASUREMENTS**

ASC 820, *Fair Value Measurements and Disclosures* ("ASC 820"), defines fair value, establishes a framework for measuring fair value in accordance with accounting principles generally accepted in the United States, and expands disclosures about fair value measurements.

ASC 820 establishes a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value. These tiers include: Level 1, defined as observable inputs such as quoted prices in active markets; Level 2, defined as inputs other than quoted prices in active markets that are either directly or indirectly observable; and Level 3, defined as unobservable inputs in which little or no market data exists; therefore requiring an entity to develop its own assumptions.

As of December 1, 2012, we held investments that are required to be measured at fair value on a recurring basis. Our investments consist of time deposits and CDs, where face value is equal to fair value, and equity securities of publicly traded companies for which market prices are readily available.

Investments measured at fair value on a recurring basis subject to the disclosure requirements of ASC 820 as of December 1, 2012, and June 2, 2012, were as follows (*in thousands*):

	Level 1	Level 2	Level 3
December 1, 2012			
Time deposits/CDs	$93,369	$—	$—
Equity securities	406	—	—
Total	**$93,775**	**$—**	**$—**
June 2, 2012			
Time deposits/CDs	$115,318	$—	$—
Equity securities	374	—	—
Total	**$115,692**	**$—**	**$—**

CALCULATION OF EARNINGS PER SHARE (Tables)

6 Months Ended

Dec. 01, 2012

Earnings per share

The earnings per share ("EPS") presented in our unaudited consolidated statements of comprehensive income (loss) are based on the following amounts (*in thousands, except per share amounts*):

	Three Months Ended			
	December 1, 2012		December 3, 2011	
	Basic	Diluted	Basic	Diluted
Numerator for Basic and Diluted EPS:				
Income from continuing operations	$581	$581	$1,629	$1,629
Less dividends:				
Common stock	737	737	699	699
Class B common stock	148	148	133	133
Undistributed earnings (losses)	$(304)	$(304)	$797	$797
Common stock undistributed earnings (losses)	$(253)	$(253)	$671	$672
Class B common stock undistributed earnings (losses)	(51)	(51)	126	125
Total undistributed earnings (losses)	$(304)	$(304)	$797	$797
Income (loss) from discontinued operations	$(203)	$(203)	$(799)	$(799)
Less dividends:				
Common stock	737	737	699	699
Class B common stock	148	148	133	133
Undistributed earnings (losses)	$(1,088)	$(1,088)	$(1,631)	$(1,631)
Common stock undistributed earnings (losses)	$(904)	$(905)	$(1,373)	$(1,375)
Class B common stock undistributed earnings (losses)	(184)	(183)	(258)	(256)
Total undistributed earnings (losses)	$(1,088)	$(1,088)	$(1,631)	$(1,631)
Net income	$378	$378	$830	$830
Less dividends:				
Common stock	737	737	699	699
Class B common stock	148	148	133	133
Undistributed earnings (losses)	$(507)	$(507)	$(2)	$(2)
Common stock undistributed earnings (losses)	$(421)	$(422)	$(2)	$(2)
Class B common stock undistributed earnings (losses)	(86)	(85)	—	—
Total undistributed earnings (losses)	$(507)	$(507)	$(2)	$(2)
Denominator for basic and diluted EPS:				
Common stock weighted average shares	12,437	12,437	14,069	14,069

Class B common stock weighted average shares, and shares under if-converted method for diluted EPS	2,812	2,812	2,940	2,940
Effect of dilutive securities Dilutive stock options		96		152
Denominator for diluted EPS adjusted for weighted average shares and assumed conversions		15,345		17,161
Income from continuing operations per share:				
Common stock	$0.04	$0.04	$0.10	$0.09
Class B common stock	$0.03	$0.03	$0.09	$0.09
Income (loss) from discontinued operations per share:				
Common stock	$(0.01)	$(0.01)	$(0.05)	$(0.05)
Class B common stock	$(0.01)	$(0.01)	$(0.04)	$(0.04)
Net income per share:				
Common stock	$0.03	$0.03	$0.05	$0.04
Class B common stock	$0.02	$0.02	$0.05	$0.05

	Six Months Ended			
	December 1, 2012		December 3, 2011	
	Basic	Diluted	Basic	Diluted
Numerator for Basic and Diluted EPS:				
Income from continuing operations	$1,315	$1,315	$2,658	$2,658
Less dividends:				
Common stock	1,495	1,495	1,413	1,413
Class B common stock	304	304	265	265
Undistributed earnings (losses)	$(484)	$(484)	$980	$980
Common stock undistributed earnings (losses)	$(402)	$(402)	$826	$827
Class B common stock undistributed earnings (losses)	(82)	(82)	154	153
Total undistributed earnings (losses)	$(484)	$(484)	$980	$980
Income (loss) from discontinued operations	$(290)	$(290)	$1,803	$1,803
Less dividends:				
Common stock	1,495	1,495	1,413	1,413
Class B common stock	304	304	265	265
Undistributed earnings (losses)	$(2,089)	$(2,089)	$125	$125
Common stock undistributed earnings (losses)	$(1,734)	$(1,737)	$105	$106
Class B common stock undistributed earnings (losses)	(355)	(352)	20	19
Total undistributed earnings (losses)	$(2,089)	$(2,089)	$125	$125
Net income	$1,025	$1,025	$4,461	$4,461

Less dividends:				
Common stock	1,495	1,495	1,413	1,413
Class B common stock	304	304	265	265
Undistributed earnings (losses)	$(774)	$(774)	$2,783	$2,783
Common stock undistributed earnings (losses)	$(643)	$(643)	$2,345	$2,350
Class B common stock undistributed earnings (losses)	(131)	(131)	438	433
Total undistributed earnings (losses)	$(774)	$(774)	$2,783	$2,783
Denominator for basic and diluted EPS:				
Common stock weighted average shares	12,604	12,604	14,206	14,206
Class B common stock weighted average shares,and shares under if-converted method for diluted EPS	2,863	2,863	2,946	2,946
Effect of dilutive securities Dilutive stock options		100		167
Denominator for diluted EPS adjusted for weighted average shares and assumed conversions		15,567		17,319
Income from continuing operations per share:				
Common stock	$0.09	$0.08	$0.16	$0.15
Class B common stock	$0.08	$0.08	$0.14	$0.14
Income (loss) from discontinued operations per share:				
Common stock	$(0.02)	$(0.02)	$0.11	$0.10
Class B common stock	$(0.02)	$(0.02)	$0.10	$0.10
Net income per share:				
Common stock	$0.07	$0.06	$0.27	$0.25
Class B common stock	$0.06	$0.06	$0.24	$0.24

Net Sales and Gross Profit by Geographic Region (Detail) (USD $) In Thousands, unless otherwise specified	3 Months Ended		6 Months Ended	
	Dec. 01, 2012	Dec. 03, 2011	Dec. 01, 2012	Dec. 03, 2011
Segment Reporting Information [Line Items]				
Net sales	$ 36,603	$ 39,138	$ 72,253	$ 80,649
Total, Gross Profit	10,742	11,690	21,388	24,392
North America				
Segment Reporting Information [Line Items]				
Net sales	16,436	16,850	32,182	33,403
Total, Gross Profit	5,520	5,303	10,809	10,666
Asia Pacific				
Segment Reporting Information [Line Items]				
Net sales	5,437	6,159	11,784	14,052
Total, Gross Profit	1,860	2,277	4,054	4,937
Europe				
Segment Reporting Information [Line Items]				
Net sales	12,305	12,564	23,042	26,122
Total, Gross Profit	3,806	3,962	7,030	8,347
Latin America				
Segment Reporting Information [Line Items]				
Net sales	2,320	2,282	4,767	5,113
Total, Gross Profit	788	855	1,616	1,917
Other				
Segment Reporting Information [Line Items]				
Net sales	105	1,283	478	1,959
Total, Gross Profit	$ (1,232)	$ (707)	$ (2,121)	$ (1,475)

Warranties - Additional Information (Detail) (USD $) In Millions, unless otherwise specified	6 Months Ended	
	Dec. 01, 2012 Y	Jun. 02, 2012
Warranties [Line Items]		
Warranty term, minimum	1	
Warranty term, maximum	3 years	
Warranty reserves	$ 0.2	$ 0.1

Consolidated Statements of Cash Flows (USD $) In Thousands, unless otherwise specified	3 Months Ended		6 Months Ended	
	Dec. 01, 2012	Dec. 03, 2011	Dec. 01, 2012	Dec. 03, 2011
Operating activities:				
Net income	$ 378	$ 830	$ 1,025	$ 4,461
Adjustments to reconcile net income to cash provided by (used in) operating activities:				
Depreciation and amortization	266	280	565	564
(Gain) loss on sale of investments	(1)	11	(21)	1
(Gain) loss on disposal of assets	2		(2)	
Stock compensation expense	208	107	332	262
Change in assets and liabilities, net of effects of acquired businesses:				
Deferred income taxes	(7)	(3,514)	(8)	1,815
Accounts receivable	(758)	161	(1,404)	(64)
Income tax receivable	36	2,686	191	(5,584)
Inventories	2,265	(1,978)	1,715	(5,592)
Prepaid expenses and other assets	196	5,631	(426)	8,426
Accounts payable	2,664	(503)	1,234	(3,084)
Accrued liabilities	806	(9,230)	(200)	(42,866)
Long-term income tax liabilities	4	4,396	(317)	(7,015)
Other	148	1,744	190	1,678
Net cash provided by (used in) operating activities	6,207	621	2,874	(46,998)
Investing activities:				
Cash consideration paid for acquired businesses	(2,557)	(2,297)	(2,557)	(2,297)
Capital expenditures	(478)		(557)	(74)
Proceeds from sale of assets			4	16
Proceeds from maturity of investments	39,763	64,849	97,510	202,382
Purchases of investments	(23,838)	(68,878)	(75,562)	(285,162)
Proceeds from sales of available-for-sale securities	83	58	137	121
Purchases of available-for-sale securities	(83)	(58)	(137)	(121)
Other		3		51
Net cash provided by (used in) investing activities	12,890	(6,323)	18,838	(85,084)
Financing activities:				
Repurchase of common stock	(5,998)	(4,197)	(11,550)	(11,888)
Proceeds from issuance of common stock	72	275	83	362
Cash dividends paid	(1,799)	(832)	(1,799)	(1,678)
Other		(4)		3
Net cash used in financing activities	(7,725)	(4,758)	(13,266)	(13,201)
Effect of exchange rate changes on cash and cash equivalents	908	(1,594)	1,179	(510)
Increase/ (decrease) in cash and cash equivalents	12,280	(12,054)	9,625	(145,793)
Cash and cash equivalents at beginning of period	41,238	37,236	43,893	170,975
Cash and cash equivalents at end of period	$ 53,518	$ 25,182	$ 53,518	$ 25,182

UPDATES TO CRITICAL ACCOUNTING POLICIES AND ESTIMATES

UPDATES TO CRITICAL ACCOUNTING POLICIES AND ESTIMATES

	6 Months Ended
	Dec. 01, 2012

3. UPDATES TO CRITICAL ACCOUNTING POLICIES AND ESTIMATES

Inventories: Our worldwide inventories are stated at the lower of cost or market, generally using a weighted-average cost method. Our inventories included approximately $32.7 million of finished goods and $2.6 million of raw materials and work-in-progress as of December 1, 2012, as compared to approximately $31.8 million of finished goods and $2.9 million of raw materials and work-in-progress as of June 2, 2012.

At this time, we do not anticipate any material risks or uncertainties related to possible future inventory write-downs.

Revenue Recognition: Our product sales are recognized as revenue upon shipment, when title passes to the customer, when delivery has occurred or services have been rendered, and when collectability is reasonably assured. We also record estimated discounts and returns based on our historical experience. Our products are often manufactured to meet the specific design needs of our customers' applications. Our engineers work closely with customers to ensure that our products will meet their needs. Our customers are under no obligation to compensate us for designing the products we sell.

In the limited cases where remaining obligations exist after delivery of the product, the obligation relative to the unit of accounting is inconsequential or perfunctory. This conclusion was reached based on the following facts: the timing of any remaining obligation is agreed upon with the customer, which in most cases, is performed immediately after the delivery of the product; the cost and time involved to complete the remaining obligation is minimal, and the costs and time do not vary significantly; we have a demonstrated history of completing the remaining obligations timely; and finally, failure to complete the remaining obligation does not enable the customer to receive a full or partial refund of the product or service.

Discontinued Operations: In accordance with Accounting Standards Codification ("ASC") 205-20, *Presentation of Financial Statements- Discontinued Operations* ("ASC 205-20"), we reported the financial results of RFPD as a discontinued operation. Refer to Note 4 "Discontinued Operations" of our notes to our unaudited consolidated financial statements for additional discussion on the sale of RFPD.

Loss Contingencies: We accrue a liability for loss contingencies when it is probable that a liability has been incurred and the amount can be reasonably estimated. When only a range of possible loss can be established, the most probable amount in the range is accrued. If no amount within this range is a better estimate than any other amount within the range, the minimum amount in the range is accrued. If we determine that there is at least a reasonable possibility that a loss may have been incurred, we will include a disclosure describing the contingency.

Goodwill and Other Intangible Assets: Goodwill is initially recorded based on the premium paid for acquisitions and is subsequently tested for impairment. We test goodwill for impairment annually and whenever events or circumstances indicate an impairment may have occurred, such as a significant adverse change in the business climate, loss of key personnel or a decision to sell or dispose of a reporting unit. As of December 1, 2012, our goodwill balance was $2.3 million and represents the premium we paid for Powerlink of $1.4 million during the second quarter of fiscal 2012, adjusted for foreign currency translation, and the premium we paid for D and C of $0.9 million during our second quarter of fiscal 2013.

During the fourth quarter of each fiscal year, our goodwill balances are reviewed for impairment using the last day of our third quarter as the measurement date. In accordance with ASC 350 *"Intangibles—Goodwill and Other"* ("ASC 350"), if indicators of impairment are deemed to be present, we would perform an interim impairment test and any resulting impairment loss would be charged to expense in the period identified.

During the fourth quarter of fiscal 2012, we adopted Accounting Standards Update ("ASU") 2011-08 which allows a company the option to perform a qualitative evaluation about the likelihood of goodwill impairment to determine whether it must then calculate the fair value of an operating segment. We applied this qualitative approach to our EDG operating segment and concluded that indications of impairment were not present as of June 2, 2012. The qualitative factors considered included macroeconomic conditions, industry and market considerations, cost factors, overall financial performance, and other relevant entity or reporting unit specific events.

Intangible assets are initially recorded at their fair market values determined on quoted market prices in active markets, if available, or recognized valuation models. Intangible assets that have finite useful lives are amortized on a straight-line basis over their useful lives.

Our intangible assets represent the fair value that we determined for customer relationships acquired in connection with the acquisition of Powerlink during the second quarter of our fiscal year 2012. The fair value was based upon discounted cash flows that the customer relationships are expected to generate over the next twenty years.

SEGMENT REPORTING (Tables)	6 Months Ended Dec. 01, 2012

Summarized operating results by segment

Operating results by segment are summarized in the following table (*in thousands*):

	Three Months Ended		Six Months Ended	
	December 1, 2012	December 3, 2011	December 1, 2012	December 3, 2011
EDG				
Net Sales	$ 26,186	$ 28,022	$ 51,813	$ 58,751
Gross Profit	$ 7,930	$ 8,546	$ 15,930	$ 18,217
Canvys				
Net Sales	$ 10,417	$ 11,116	$ 20,440	$ 21,898
Gross Profit	$ 2,812	$ 3,144	$ 5,458	$ 6,175

Reconciliation of assets to the relevant consolidated amount

A reconciliation of assets to the relevant consolidated amount is as follows (*in thousands*):

	December 1, 2012	June 2, 2012
Segment assets	$57,255	$54,768
Cash	53,518	43,893
Investments—current	86,395	105,009
Other current assets *(1)*	11,941	10,723
Net property	4,438	4,375
Investments—non-current	7,380	10,683
Other assets *(2)*	1,474	1,458
Assets of discontinued operations *(3)*	248	514
Total assets	$222,649	$231,423

(1) Other current assets include miscellaneous receivables, prepaid expenses, and current deferred income taxes.

(2) Other assets primarily include non-current deferred income taxes.

(3) See Footnote 4—Discontinued Operations.

Net Sales and Gross Profit by Geographic Region

Net sales and gross profit by geographic region are summarized in the following table (*in thousands*):

	Three Months Ended		Six Months Ended	
	December 1, 2012	December 3, 2011	December 1, 2012	December 3, 2011
Net Sales				
North America	$ 16,436	$ 16,850	$ 32,182	$ 33,403
Asia/Pacific	5,437	6,159	11,784	14,052
Europe	12,305	12,564	23,042	26,122
Latin America	2,320	2,282	4,767	5,113

Other	105	1,283	478	1,959
Total	$ 36,603	$ 39,138	$ 72,253	$ 80,649
Gross Profit				
North America	$ 5,520	$ 5,303	$ 10,809	$ 10,666
Asia/Pacific	1,860	2,277	4,054	4,937
Europe	3,806	3,962	7,030	8,347
Latin America	788	855	1,616	1,917
Other	(1,232)	(707)	(2,121)	(1,475)
Total	$ 10,742	$ 11,690	$ 21,388	$ 24,392

Intangible Assets Subject to Amortization and Amortization Expense (Detail) (USD $) In Thousands, unless otherwise specified	Dec. 01, 2012	Jun. 02, 2012
Finite-Lived Intangible Assets [Line Items]		
Finite Lived Intangible Assets Gross	$ 331	$ 363
Finite Lived Intangible Assets Accumulated Amortization	59	8
Customer Relationships		
Finite-Lived Intangible Assets [Line Items]		
Finite Lived Intangible Assets Gross	335	363
Finite Lived Intangible Assets Accumulated Amortization	59	8
Foreign currency translation		
Finite-Lived Intangible Assets [Line Items]		
Finite Lived Intangible Assets Gross	$ (4)	

LITIGATION	6 Months Ended Dec. 01, 2012
LITIGATION	**13. LITIGATION** We are involved in several pending judicial proceedings concerning matters arising in the ordinary course of business. While the outcome of litigation is subject to uncertainties, based on information available at the time the financial statements were issued, we determined disclosure of contingencies relating to any of our pending judicial proceedings was not necessary because there was less than a reasonable possibility that a material loss had been incurred.