

Transaction News - Teradyne

Teradyne Announces Investment in Software Test Units; Matrix Partners to Assume a Controlling Interest in New Company

BOSTON--(BUSINESS WIRE)--Sept. 6, 2000--Teradyne (NYSE:TER) announced today that it will be consolidating its software test units, acquired over the last several years, into a single company to be called Empirix. The employees of Empirix and an investor group led by Matrix Partners of Waltham, Massachusetts will own a controlling interest in the new company, with Teradyne retaining an ownership position. The date of the transaction is subject to certain closing conditions, including receipt of regulatory approvals and is expected to be completed at the end of the fourth quarter of 2000. Other terms of the agreement were not disclosed. There will be no material impact on Teradyne's financial position as a result of the transaction.

"Software test is a very exciting business," said George Chamillard, Chairman and CEO of Teradyne. "We feel that the seeds we have sown with our acquisitions will continue to bear significant fruit over the next few years. It's clear, however, that the fast-growing software test technology and markets are diverging from Teradyne's core businesses, which are also growing rapidly. It will take focused time, energy and expertise to grow the new company to its full potential. We decided that our employees and shareholders would benefit greatly through this partnership with Matrix who will help develop Empirix through its next stages of growth and success, allowing Teradyne to concentrate on its fast-growing automated testing and interconnection businesses."

"Teradyne has done a great job of assembling an exciting group of companies possessing excellent customer relationships and key technologies in growing markets," said Tim Barrows of Matrix Partners. "We believe Empirix will become a major force in the software test industry."