

Transaction News - Teradyne

GenRad Agrees to be Acquired by Teradyne
WESTFORD, Mass.--(BUSINESS WIRE)--Aug. 2, 2001--

Teradyne, Inc., (NYSE: TER) today announced the signing of a definitive agreement to acquire GenRad, Inc. (NYSE: GEN) of Westford, MA, a leading manufacturer of electronic automatic test equipment and related software.

Under the terms of the proposed acquisition, each outstanding share of GenRad common stock would be converted into 0.1733 shares of Teradyne common stock. At Teradyne's closing price of \$35.10 on August 1, 2001, the transaction would be valued at approximately \$260 million in the aggregate. This includes the assumption of debt of approximately \$85 million, before considering any proceeds from the anticipated sale of GenRad's Diagnostic Solutions business unit, which is expected to occur before the closing with Teradyne. Revenue for the GenRad business to be retained by Teradyne following the closing of these transactions was approximately \$255 million in 2000.

Robert M. Dutkowsky, chairman, president and CEO of GenRad, Inc. will manage the combined Teradyne circuit board test and inspection division.

The acquisition of GenRad by Teradyne is expected to close in the fourth quarter of 2001 and is subject to approval by both the shareholders of GenRad, Inc. and regulators. The transaction is expected to be slightly dilutive to Teradyne in the fourth quarter of 2001, with the expectation that it becomes accretive in 2002 when cost synergies are fully realized and demand picks up.

George W. Chamillard, Teradyne Inc., chairman, president and CEO stated, "The combination of Teradyne and GenRad broadens our scope in the global electronics manufacturing test market, creating a 'total test solution' that will significantly benefit customers."

"Today's electronic products are packing higher speeds and greater functionality into denser spaces, creating a packaging revolution in electronics manufacturing," Chamillard said. "This means the electronics product assembly process has become increasingly complex, placing new demands on test and inspection equipment--and creating new market growth opportunities. This complexity also requires sophisticated software tools to optimize and improve that process. The addition of GenRad products to our existing product line will give us the industry's broadest range of circuit board test and inspection products: in-circuit and functional test systems and automated inspection systems--both optical and X-ray. Tying it together will be the factory automation software tools needed to deploy the equipment strategically and manage the process efficiently."

GenRad's Dutkowsky stated that, "Adding our strengths in electronics testing and production hardware, software and service solutions to Teradyne's breadth across the semiconductor, telecommunications, computer and Internet industries is a superb strategic fit. Our customers will benefit from the expanded capabilities this new organization will bring to manufacturing test environments worldwide."