

Dear L35x and L39x-Series User:

With the successful introduction and shipment of the Spectrum series of testers and the obsolescence of some components of the early L-Series testers we are declaring some L-Series testers and options as "Out of Production". The L35X and L39X systems were introduced over 10 years ago and we have sold over 150 testers.

This Out of Production announcement does not include the L32X series and the options sold with it. The 1999 forecast includes over 8 L32X systems and we have no immediate plans to discontinue new production of this tester.

OUT OF PRODUCTION STATEMENT

Effective immediately we will no longer accept orders for new L35X, L39X systems, D6, D7 and D17 channel cards.

REMANUFACTURED SYSTEMS AND OPTIONS

We will review requests for quotes for these systems, channel cards and other options as remanufactured product at a price below the standard List Price and will quote if we are able to. Remanufactured systems and options sold by Teradyne go through evaluation and updating in production and a full test cycle. They generally are sold with a full Teradyne warranty and service agreements can be quoted for them. In most cases they also would be shipped with the latest software version and a one-year software service agreement. Quotes for remanufactured products must be passed through me before submission to the customer. All quotes for remanufactured equipment will contain the statement that: "Quote is based on the availability of equipment at the time of order and no guarantee is made of its availability." Delivery may be able to be estimated at the time of quote but again it will be requested at the time of order.

ONGOING SUPPORT FOR REMANUFACTURED SYSTEMS AND OPTIONS

It is important to remember when selling remanufactured systems that have been declared Out of Production that Teradyne's policy is to support products manufactured by Teradyne for at least 7 years from the date that they are declared out of production -- not 7 years from the date of shipment. However, in practice as long as we can supply the parts to repair the system we will continue to support that system and its options. There are systems produced by Teradyne over 25 years ago that are still being used today. Every effort is made to offer repair services for these parts to our customers on an ongoing basis. Teradyne continually reviews its parts inventory and uses mathematical analysis to restock parts that are becoming low in inventory. Teradyne has in the past bought material on the open market to restock parts that are no longer available from the original vendor. The availability of the vendor parts is what generally limits our ability to continue to support some out of production testers.

Beyond the 7 years, phone and technical support will also continue to be provided on a best efforts basis taking into account personnel changes and the reassignment of personnel to the new products.

Signed contracts that include long-term support for L3 Systems will continue to be honored as they are written.