



## GenRad Reorganizes Worldwide; Focuses on Execution and Growth

**WESTFORD, MA** -- GenRad, Inc. (NYSE: GEN) a developer, manufacturer and marketer of testing and process control hardware and software for electronics systems manufacturing, announced today the adoption of a new organizational structure designed to foster more precise execution and accelerate growth.

The new structure reorganizes the company into three focused operations: Diagnostic Solutions, Functional Solutions and Process Solutions. These line-of-business structures are designed to optimize GenRad's core competencies.

"We are, in essence, putting the entire organization under one mantle to clarify our focus, enhance our execution and spur our sense of urgency. In doing so, we eliminate duplication and optimize our resources to create a more agile and competitive company," said Robert M. Dutkowsky, GenRad's chairman, president and chief executive officer.

Compensation for GenRad's employees -- executives, management and individual contributors -- will be revised to reward performance quarter-to-quarter. The board of directors also approved a substantial enhancement to our employee stock option program, making GenRad stock options available to virtually all employees.

"By restructuring our organization, re-focusing our senior management team, and refining our compensation plan, we are aligning the interests of our employees with those of our shareholders," Mr. Dutkowsky explained.

Under the new structure, GenRad's previous three, separate and autonomous divisions are being combined into a single, highly optimized and customer-focused operation supporting GenRad's lines of business.

"GenRad now has a structure capable of producing and delivering a broad array of solutions and, therefore, the company is in a far better position to deliver value to our customers," Mr. Dutkowsky explained.

### **Solutions-focused**

While GenRad's portfolio of software and hardware solutions remains in place, their development, production and delivery to the marketplace now more accurately reflects actual customer demands. These areas of operations are as follows:

**Diagnostic Solutions** - providing electronic test and repair hardware and software to OEMs and independent repair organizations.

**Functional Solutions** - providing a highly customizable and scalable suite of functional test products.

**Process Solutions** - providing in-circuit testing, leading-edge X-Ray inspection and a broad suite of software solutions targeted at the electronics manufacturing sector.

The company's solutions portfolio will be designed, developed and manufactured by a single technical organization: GenRad Global Technical Group; taken to market by a specialized market-focused organization: GenRad Global Sales; and supported by a single service and support structure: GenRad Global Support.

To ensure consistent worldwide execution among the lines of business, those groups will receive support from Global Business Development, Global Communications as well as from Human Resources, Finance and Business Operations.

## **About GenRad**

GenRad, Inc. [NYSE: GEN] provides electronics OEMs and their customers with the hardware, software and services to increase productivity by optimizing product design, manufacturing and after-market service. GenRad, headquartered in Westford, MA, offers products and services through its Diagnostic Solutions, Functional Solutions and Process Solutions operations. For more information visit GenRad's web site.

GenRad's most current shareholder information is available by visiting our web site or by calling our Fax on Demand Service at (800) 469-1261.

Statements made in this news release that are not historical, including statements regarding future performance, product capabilities and markets are forward looking statements and as such are subject to a number of risks. Factors that may cause results to differ materially from those projected are discussed in GenRad's 1999 Annual Report on Form 10-K for the fiscal year ending January 1, 2000 and form 10-Q for the quarter ended April 1, 2000 under the section "Management's Discussion and Analysis of Financial Conditions and Results of Operations - Factors That May Affect Future Results."

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