



Microchip Technology Selects New iCell Integrated Production

July 24, 2002

Test Cell Solution Developed by Teradyne and Delta Design

BOSTON, MASSACHUSETTS - July 19, 2002 - Teradyne (NYSE:TER) announced today that Microchip Technology (NASDAQ:MCHP), a leading microcontroller device manufacturer, has selected the recently previewed iCell (see press release dated 4/15/02), a turnkey, optimized test cell solution for high-volume IC manufacturing. iCell, developed by Teradyne and Delta Design, integrates high-performance test systems, advanced handler products and easy to use cell control software to maximize throughput and reduce the cost of test. Microchip will utilize iCell automation software and an optimized tester manipulator and docking system that enables the Integra J750 and Delta Design Castle handler to operate as a fully integrated cell. iCell Integration and Automation tools will ship to Microchip's facility in Bangkok, Thailand where there are multiple Integra J750s and Delta Design Castle handlers in production today.

John Adams, Integrated Test Cell Product Manager, at Teradyne, said, "Our customers demand every possible advantage to lower test costs. With iCell Integration and Automation Options, Microchip is expected to experience an improvement in test cell utilization and throughput by reducing cell changeover time and minimizing the lot process cycle time. The resulting increase in the number of devices that are tested in parallel enables improved tester capacity and eliminates the need to build new test facilities. We appreciate Microchip's confidence and support for our products as we continue to deliver high quality, low cost test solutions."

Mathew Bunker, Senior Project Manager, Microchip, said, "iCell represents the response from two key suppliers - Teradyne and Delta Design - to the economic challenges imposed on our business and offers us a roadmap for maximizing throughput and productivity for the future. Teradyne and Delta Design continue to deliver on their commitments based on the superior economics of the Integra J750 optimized with the Castle handler. We anticipate cost reductions and additional production throughput as a result of a fully integrated test cell solution."

About iCell

Aimed at continuing to reduce the cost of test, iCell is an integrated solution developed jointly by Teradyne and Delta Design. The two companies approached the test process with an integrated manufacturing view and developed hardware and software to optimize how the test engineer integrates with the test cell. iCell reduces cycle time, maximizes throughput, and increases the number of devices that are tested in parallel. These benefits are combined with a single point-of-service for improved cell diagnostics and customer support to reduce test cell downtime. The increased convenience and lower cost of test of iCell translate into a higher level of customer satisfaction.

About Microchip Technology

Microchip Technology Inc. manufactures the popular PICmicro® field-programmable RISC microcontrollers, which serve 8- and 16-bit embedded control applications, and a broad spectrum of high-performance linear and mixed-signal, power management and thermal management devices. The Company also offers complementary microperipheral products including interface devices; microID®™ RFID devices; serial EEPROMs; and the patented KEELOQ® security devices. This synergistic product portfolio targets thousands of applications and a growing demand for high-performance designs in the automotive, communications, computing, consumer and industrial control markets. The Company's quality systems are ISO 9001 (1994 version) and QS9000 (1998 version) certified. Microchip is headquartered in Chandler, Arizona with design facilities in Mountain View, California and Bangalore, India; semiconductor fabrication facilities in Tempe and Chandler, Arizona and Puyallup, Washington; and assembly and test operations near Bangkok, Thailand. Microchip employs approximately 3,100 people worldwide and has sales offices throughout Asia, Europe, Japan and the Americas. More information on the Company can be found at www.microchip.com.

About Delta Design

Delta Design, a subsidiary of Cohu, Inc., is a leading supplier of test handling solutions used by the global semiconductor industry. Cohu is also a supplier of closed circuit television, metal detection and microwave communications equipment. For more information visit www.cohu.com.

About Teradyne

Teradyne (NYSE: TER) is the world's largest supplier of automatic test equipment and is also a leading supplier of high performance interconnection systems. Teradyne's test products are used by manufacturers of semiconductors, circuit assemblies, voice and broadband telephone networks. Teradyne's backplane assemblies and high-density connectors are used by manufacturers of communications and computing systems central to building networking infrastructure. The company had sales of

\$1.4 billion in 2001 and currently employs about 8000 people worldwide. For more information visit www.teradyne.com.

For more information, contact:

Diane Martin, Teradyne
Marketing Communications Specialist
Tel: 781-999-8128
Fax: 781-999-8431
diane.martin@teradyne.com

Kevin Brennan, Delta Design
Director of Marketing
Tel: 978-486-1060
Fax: 978-486-1070
kbrennan@deltad.com

Note: The Microchip name and logo, PICmicro, microID and KeeLoq are registered trademarks of Microchip Technology Inc. in the USA and other countries. All other trademarks are the property of their respective owners.