

FOR IMMEDIATE RELEASE
Thermo - KeyTek Product line

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**Thermo Electron Corporation's Compliance Test Solutions
Business Wins Shingo Prize Award for
Excellence in Manufacturing**

LOWELL, MA (June 2, 2005) – Thermo Electron Corporation's Compliance Test Solutions business (formerly doing business as Thermo KeyTek) was named a 2005 Northeast Shingo Prize Award recipient for Excellence in Manufacturing for the Northeast region. The prize, described by Business Week magazine as the "Nobel Prize of manufacturing," recognizes lean manufacturing and exemplary business practices and processes that result in world-class performance and the ability to compete globally. Thermo's Compliance Test Solutions business is one of only three businesses in the Northeast region recognized with the Shingo Prize for achieving a world-class level of quality, cost, delivery, and business results.

The Compliance Test Solutions business of Thermo Electron Corporation started operations in 1975 as KeyTek, to help customers identify and alleviate electrical and electronic goods product failure problems. Founded on the principle of reducing waste as it relates to business efficiency, product quality, profitability, preservation of human resources, as well as the well-being of the company, and its employees, stockholders, and partners, KeyTek, its successor, Thermo KeyTek, and now the Compliance Test Solutions business of Thermo Electron, has spent the last three decades practicing and advancing lean/world-class manufacturing practices. Thermo's precision ESD and EMC test system solutions have been proven to be the most reliable and dependable in reducing catastrophic risks, ensuring product quality, and speeding time to market for its customers.

Over the past three decades the company has evolved to address the economic, financial, profitability, and political realities of the global marketplace. With ongoing revisions to global regulatory standards and requirements, the Compliance Test Solutions business recognized its clients' need to keep pace with these changes and meet test requirements anywhere in the world. Dedicated to helping its customers address changes as they occur, the Lowell site with its staff of 65 people manufacture simulators and test systems that are designed to test electronic products, components and subsystems for compliance to national, international and industry ESD and EMC standards.

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Under the current leadership of Gordon Woodfall, President and General Manager, Thermo's Compliance Test Solutions business has implemented a formalized Continuous Improvement Education and Training Program and a Lean Manufacturing Program, known as Thermo's PPI (Practical Process Improvement) Initiative. PPI empowers employees to make improvements to the company's production system processes to remove waste and provide greater customer value. As a result of instituting these programs, Thermo's Compliance Test Solutions business has seen on time orders improve from 27% to 85%, a reduction of approximately 18% in material costs, a 39% in inventory reduction, and a 3600 square foot reduction in floor space in a two-year period.

"The timing of this prestigious award is perfect," said Gordon Woodfall, President of the Lowell manufacturing site. "The business is celebrating its 30th year anniversary, a testimonial to the long standing employee involvement and dedication. This prize will certainly continue to differentiate us in the global marketplace."

The Northeast Shingo Prize for Excellence in the Northeast, similar to the North American Shingo Prize was established to increase awareness, development, and implementation of lean manufacturing principles and processes. The Bronze Shingo Prize for Excellence in Manufacturing will be presented to the Compliance Test Solutions Business of Thermo Electron Corporation at the first annual Northeast Shingo Conference on Wednesday, September 14, at an awards banquet in Boston.

About Thermo Electron Corporation

A world leader in high-tech instruments, Thermo Electron Corporation helps life science, laboratory, and industrial customers advance scientific knowledge, enable drug discovery, improve manufacturing processes, and protect people and the environment with instruments, scientific equipment, services and software solutions. Based in Waltham, Massachusetts, Thermo Electron has revenues of more than \$2 billion, and employs approximately 11,000 people in 30 countries worldwide.

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