



Department of Justice

FOR IMMEDIATE RELEASE
MONDAY, MARCH 3, 2003
WWW.USDOJ.GOV

AT
(202) 616-2777
TDD (202) 514-1888

JUDGE APPROVES THE MATHWORKS/WIND RIVER SETTLEMENT

The MathWorks and Wind River Agree to Sell MATRIXx Assets to National Instruments Corp.

WASHINGTON, D.C. – The U.S. District Court for the Eastern District of Virginia in Alexandria, Virginia, approved the proposed settlement of a civil antitrust lawsuit filed by the Department of Justice against The MathWorks Inc. and Wind River Systems Inc., the Department announced today. Under the settlement, MATRIXx, Wind River’s dynamic control system design software, will be sold to National Instruments Corporation.

“This settlement will ensure that MATRIXx can continue to be developed and sold, restoring the competition that was eliminated by the illegal agreement between The MathWorks and Wind River,” said R. Hewitt Pate, Acting Assistant Attorney General for the Antitrust Division. “As a result of this sale, customers that use dynamic control system design software to develop high-technology products can again benefit from competition through lower prices and enhanced innovation.”

Headquartered in Austin, Texas, National Instruments is a leading supplier of measurement and automation products that engineers and scientists use in a wide range of industries. The Department determined that National Instruments has the financial, management, and technical capabilities to develop MATRIXx.

Dynamic control system design software enables engineers to develop the computerized control systems of sophisticated devices, such as anti-lock brake systems for automobiles, guidance and navigation control systems for unmanned spacecraft, and flight control systems for aircraft. The MathWorks' dynamic control system design software offering is the Simulink product group. Wind River's competing product is MATRIXx.

The Court's order entering the final judgment, which was issued on Friday, February 28, 2003, resolves a lawsuit filed by the Department on June 21, 2002. According to the complaint, in February 2001, The MathWorks and Wind River, which were head-to-head competitors for the development and sale of dynamic control system design software tools, entered into an agreement that ended competition between the two firms. The agreement gave The MathWorks control over the prices, marketing, support, and future development of the Wind River MATRIXx products and required Wind River to stop its own development and marketing. Shortly after signing the agreement, The MathWorks announced it would undertake no further development of the Wind River MATRIXx products. The Department's lawsuit challenged the agreement as a violation of Section 1 of the Sherman Act and alleged that the agreement had eliminated important competition that had resulted in significant technical improvements and price reductions for consumers.

The successful sale of MATRIXx to National Instruments was accomplished through the efforts of the Court appointed Trustee, SoundView Technology Group, a technology-focused investment banking firm based in Old Greenwich, Connecticut.

The MathWorks is a Delaware corporation with its principal place of business in Natick, Massachusetts. The MathWorks posted revenues of approximately \$200 million in 2001, on sales of a range of mathematical-based software products for numeric computation, visualization

and simulation used in the design of sophisticated products. In 2001, sales of The MathWorks' dynamic control system design tools were over \$100 million.

Wind River is a Delaware corporation with its principal place of business in Alameda, California. Wind River's principal products are embedded operating systems and integrated development environments. For the year ended January 2001, Wind River reported worldwide revenues of \$438 million. Included in this total are approximately \$13 million in sales of Wind River's dynamic control system design tools.

###