



VERIGY LTD.
CONDENSED COMBINED AND CONSOLIDATED STATEMENTS OF OPERATIONS
(In millions, except per share amounts)
(Unaudited)

	Three Months Ended January 31,	
	2007	2006
Orders:	\$ 133	\$ 176
Net revenue:		
Products	\$ 128	\$ 143
Services	37	27
Total net revenue	165	170
Cost of sales		
Cost of products (*)	69	74
Cost of services (*)	25	24
Total cost of sales	94	98
Operating expenses		
Research and development (*)	23	25
Selling, general and administrative (*)	34	37
Restructuring charges	-	6
Separation costs	2	15
Total operating expenses	59	83
Income (loss) from operations	12	(11)
Other income, net	3	-
Income (loss) before taxes	15	(11)
Provision for taxes	2	5
Net income (loss)	\$ 13	\$ (16)
Net income (loss) per share- basic:	\$ 0.22	\$ (0.32)
Net income (loss) per share- diluted:	\$ 0.22	\$ (0.32)
Weighted average shares (presented in thousands) used in computing net income (loss) per share:		
Basic	58,768	50,000
Diluted	59,099	50,000
Share-based compensation expense by function (*):		
Cost of products	\$ 0.4	\$ 0.5
Cost of services	\$ 0.2	\$ -
Research and development	\$ 0.5	\$ 0.5
Selling, general and administrative	\$ 2.6	\$ 3.0



VERIGY LTD.
CONDENSED COMBINED AND CONSOLIDATED BALANCE SHEETS
(In millions, except share amounts)
(Unaudited)

	January 31, 2007	October 31, 2006
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 300	\$ 300
Trade accounts receivable, net	71	108
Receivables from Agilent	-	8
Inventory	90	87
Other current assets	49	48
Total current assets	510	551
Property, plant and equipment, net	44	44
Goodwill	18	18
Other long-term assets	58	61
Total assets	\$ 630	\$ 674
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 55	\$ 75
Payables to Agilent	12	37
Employee compensation and benefits	35	43
Deferred revenue, current	63	58
Income and other taxes payable	9	23
Other accrued liabilities	15	15
Total current liabilities	189	251
Long-term liabilities	33	34
Total liabilities	222	285
Commitments and contingencies		
Shareholders' equity		
Ordinary shares, no par value, 58,844,633 issued and outstanding at January 31, 2007		
Additional paid in capital	365	358
Retained earnings	47	34
Accumulated other comprehensive loss	(4)	(3)
Total shareholders' equity	408	389
Total liabilities and shareholders' equity	\$ 630	\$ 674



VERIGY LTD.
RECONCILIATION OF GAAP NET INCOME (LOSS) TO NON-GAAP NET INCOME (LOSS)
(In millions, except per share amounts)
(Unaudited)

	Three Months Ended						Year-to-Date Ended			
	October 31, 2007		July 31, 2007		April 30, 2007		January 31, 2007		2007	
	EPS	EPS	EPS	EPS	EPS	EPS	EPS	EPS	EPS	EPS
GAAP net income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 13	\$ 0.22	\$ 13	\$ 0.22
Non-GAAP adjustments:										
Restructuring charges in cost of sales	-	-	-	-	-	-	1.1	0.02	1.1	0.02
Restructuring charges in operating expenses	-	-	-	-	-	-	-	-	-	-
Separation related costs in cost of sales	-	-	-	-	-	-	0.2	-	0.2	-
Separation related costs in operating expenses	-	-	-	-	-	-	2.0	0.04	2.0	0.04
Other	-	-	-	-	-	-	-	-	-	-
Non-GAAP net income	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 16</u>	<u>\$ 0.28</u>	<u>\$ 16</u>	<u>\$ 0.28</u>

	Three Months Ended						Twelve Months Ended			
	October 31, 2006		July 31, 2006		April 30, 2006		January 31, 2006		2006	
	EPS	EPS	EPS	EPS	EPS	EPS	EPS	EPS	EPS	EPS
GAAP net income (loss)	\$ 14	\$ 0.25	\$ 13	\$ 0.23	\$ (11)	(0.22)	\$ (16)	(0.32)	\$ -	\$ -
Non-GAAP adjustments:										
Restructuring charges in cost of sales	2.2	0.03	2.2	0.04	2.4	0.05	0.9	0.02	7.7	0.14
Restructuring charges in operating expenses	0.9	0.01	1.6	0.03	8.0	0.16	6.0	0.12	16.5	0.31
Separation related costs in cost of sales	1.0	0.02	-	-	3.7	0.07	-	-	4.7	0.09
Separation related costs in operating expenses	12.6	0.21	20.9	0.38	20.0	0.40	15.0	0.30	68.5	1.28
Other	-	-	-	-	(0.7)	(0.01)	-	-	(0.7)	(0.01)
Non-GAAP net income	<u>\$ 31</u>	<u>\$ 0.52</u>	<u>\$ 38</u>	<u>\$ 0.68</u>	<u>\$ 22</u>	<u>\$ 0.45</u>	<u>\$ 6</u>	<u>\$ 0.12</u>	<u>\$ 97</u>	<u>\$ 1.81</u>