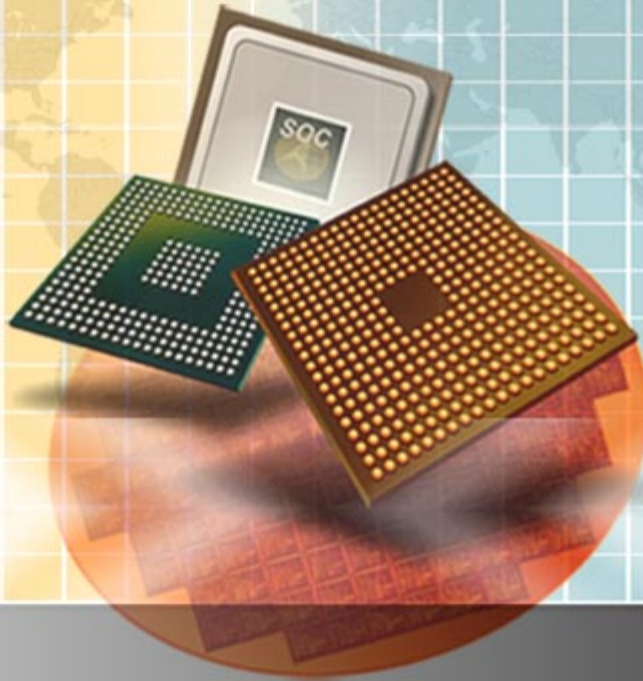




# Verigy and LTX-Credence Plan to Merge, Creating a Top-Tier Provider of Semiconductor Test Solutions



# Safe Harbor Statement

**This presentation contains forward-looking statements within the meaning of the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995. These statements are based on management's current expectations and beliefs and are subject to a number of factors and uncertainties that could cause actual results to differ materially from those described in the forward-looking statements. The forward-looking statements contained in this document include statements about the strategic rationale for the transaction; the overview of the transaction; the leadership of the combined company and expectations about the combined company's board composition; our expectations about the global reach of the combined company; our expectations about the ability of the combined company to deliver significant value to our customers, shareholders and employees; the ability of the combined company to be a stronger competitor and innovator of test cell solutions, to drive sustainable long-term growth and to be a major challenger for leadership in the semiconductor test industry; future financial and operating results; our expectations around the merger process and what employees can expect as a result of the transaction; potential synergies, including the timing of the realization of such synergies, and cost savings resulting from the transaction; and other statements regarding the proposed transaction. Any statements that are not statements of historical fact (including statements containing the words "believes," "should," "plans," "anticipates," "expects," "estimates" and similar expressions) should also be considered to be forward looking statements. These statements are not guarantees of future performance, involve certain risks, uncertainties and assumptions that are difficult to predict, and are based upon assumptions as to future events that may not prove accurate. Therefore, actual outcomes and results may differ materially from what is expressed herein. For example, if Verigy and LTX-Credence do not each receive required shareholder approval or the parties fail to satisfy other conditions to closing, the transaction will not be consummated.**

# Safe Harbor Statement

**In any forward-looking statement in which Verigy or LTX-Credence expresses an expectation or belief as to future results, such expectation or belief is expressed in good faith and believed to have a reasonable basis, but there can be no assurance that the statement or expectation or belief will result or be achieved or accomplished. The following factors, among others, could cause actual results to differ materially from those described in the forward-looking statements: failure of the Verigy and LTX-Credence shareholders to approve the proposed merger; the challenges and costs of closing, integrating, restructuring and achieving anticipated synergies; the ability to retain key employees; and other economic, business, competitive, and/or regulatory factors affecting the businesses of Verigy and LTX-Credence generally, including those set forth in the filings of Verigy and LTX-Credence with the Securities and Exchange Commission, especially in the "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" sections of their respective annual reports on Form 10-K and quarterly reports on Form 10-Q, their current reports on Form 8-K and other SEC filings. Verigy and LTX-Credence are under no obligation to (and expressly disclaim any such obligation to) update or alter any forward-looking statements as a result of developments occurring after the date of this presentation.**

# Verigy and LTX-Credence

## Compelling Combination for All Constituents

### Strategic Rationale

- Complementary products, markets, customers & channels
- Broader breadth of products and expanded support organization
- Well-positioned to compete with largest competitors
- Larger business, strengthened position in SOC test
- Proven management team to lead the combined company

### Financial Rationale

- Targeting cost synergies of at least \$25 million upon completion of integration
- Leveraged financial model with lower breakeven points; optimized Singapore tax model
- Strong balance sheet with capacity to invest in growth segments
- Return value to shareholders via odd-lot and repurchase programs

# Transaction Overview

<b>Company Name</b>	Verigy <i>(will retain Verigy's existing logo and ticker)</i>
<b>Headquarters</b>	Worldwide: Singapore North America: Cupertino, CA
<b>Transaction Structure</b>	Stock-for-stock tax-free exchange
<b>Exchange Ratio</b>	0.96 Verigy shares per LTX-Credence share
<b>Ownership Split</b>	Approximately 56% Verigy / 44% LTX-Credence
<b>Closing Conditions</b>	Mutual shareholder approval, satisfaction of other customary closing conditions, and regulatory approvals
<b>Closing</b>	First half of calendar 2011
<b>Synergies</b>	At least \$25 million of annual synergies expected
<b>Return of Capital</b>	Odd lot and share repurchase program

# Strong Leadership

<b>Chairman of the Board</b>	Keith Barnes
<b>Co-CEOs</b>	Jorge Titinger and David Tacelli
<b>CFO</b>	Bob Nikl
<b>Integration Leader</b>	Mark Gallenberger
<b>Management Team</b>	To be finalized within roughly 90 days of announcement
<b>Board Composition</b>	Verigy 7; LTX-Credence 5

# Experienced Leadership



**Keith Barnes**  
**Chairman**

- 25+ years of industry experience: Electroglas, IMS, Cadence, 4+ years with Verigy



**Jorge Titingler**  
**Co-CEO**

- 25 years of industry experience: FormFactor, KLA-Tencor, Applied Materials, 2+ years with Verigy



**Bob Nikl**  
**CFO**

- 30 years of industry & financial mgt experience: Asyst, Solectron, Xerox, KPMG, 4+ years with Verigy



**David Tacelli**  
**Co-CEO**

- 29 years of industry experience: Texas Instruments, 22 years with LTXC



**Mark Gallenberger**  
**Integration Leader**

- 23 years of industry & financial mgt experience: Ernst & Young, Digital Equipment, 10 years with LTXC

# Co-CEO Responsibilities

## **Jorge Titinger**

- Customer-facing activities including sales, support and application development

## **Dave Tacelli**

- Marketing, engineering development and supply chain operations

## **Joint Ownership of:**

- Development of the business and product strategies
- Integration of the companies
- Administrative functions (Finance, Legal, IT & HR)
- Interactions with the investment community

# Combining Strengths to Better Serve Our Customers

## Verigy Strengths

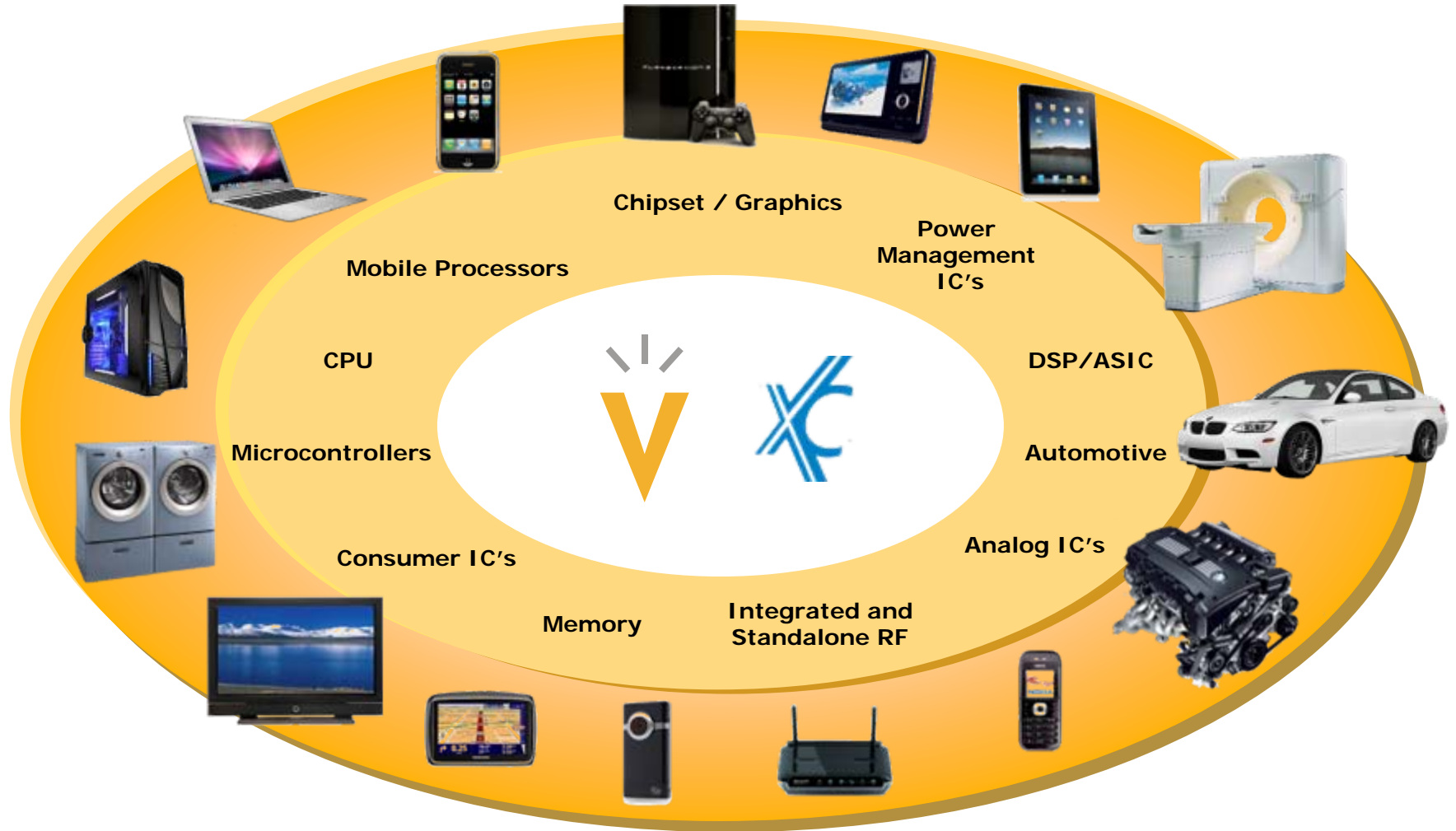
- Scalable platform strategy
- High end computer, mobile processors, integrated RF, high end consumer, Flash and HSM
- Strong presence at top fabless and OSATs
- Direct sales and customer support globally



## LTX-Credence Strengths

- Leveraged cross-platform strategy
- Linear, automotive, power, MCUs, consumer, and standalone RF
- Strong presence at large IDMs
- Large distributor network through partner Spirox in Taiwan and China

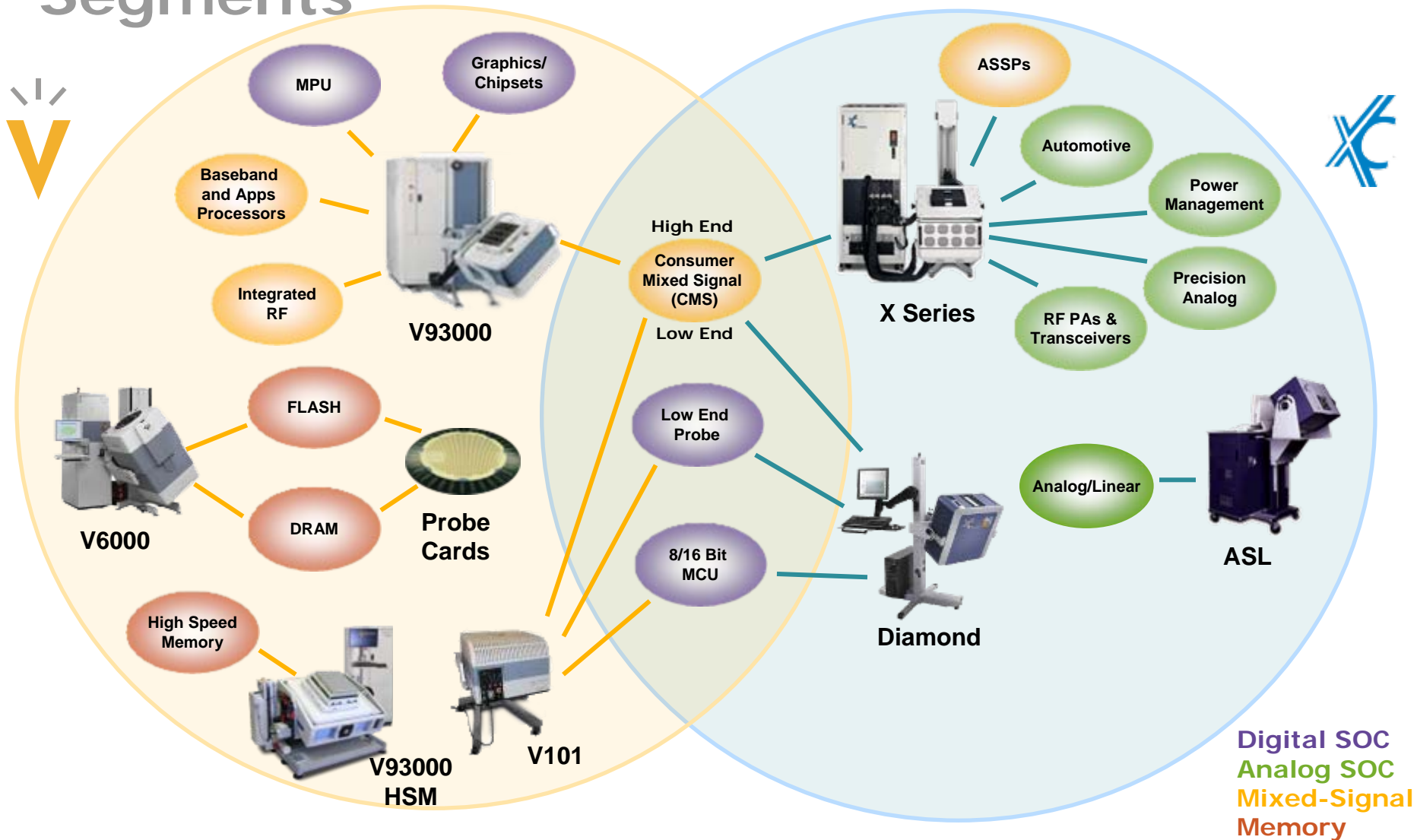
# Targeting Broad and Attractive End Markets



# Positioned for Market Leadership

- **Comprehensive Product Offering:** Expanded product offering with enhanced integration capabilities benefits all stakeholders
- **Broader Customer Base:** Strong presence at top fabless companies, IDMs and OSATs
- **Enhanced Sales and Technical Support:** Worldwide presence provides increased support and resources to customers / partners
- **Attractive Financial Model and Strong Balance Sheet:** Improved scale and margin profile; \$400 million net cash to invest in growth
- **Innovative Engineering and Technical Resources:** Extensive R&D resources allow for rapid pace of innovation and an industry leading product line-up

# Complementary Products & Market Segments



# Complementary Customer Base



# Attractive Financial Model

Illustrative; July '10 Quarter Annualized (Non-GAAP)



**Combined** <sup>(1)</sup>

<b>Improved Scale</b>	<b>Revenue</b>	<b>\$616M</b>	<b>\$293M</b>	<b>\$909M</b>
<b>Better Profitability</b>	<i>Gross Margin</i>	<i>50%</i>	<i>60%</i>	<i>53%</i>
	<b>Operating Profit</b>	<b>\$70M</b>	<b>\$64M</b>	<b>\$159M</b>
	<i>Operating Profit %</i>	<i>11%</i>	<i>22%</i>	<i>17%</i>
<b>Stronger Balance Sheet</b>	<b>Net Cash</b>	<b>\$307M</b>	<b>\$93M</b>	<b>\$400M</b>

(1) Includes \$25 MM of operating synergies.

The information provided on this slide is presented in non-GAAP format – for Verigy, non-GAAP excludes, as applicable, non-recurring charges and includes stock-based compensation expense; for LTX-Credence, non-GAAP excludes amortization of intangibles, and includes stock-based compensation expense. Reconciliation of GAAP to non-GAAP can be found on each company's investor relations Website.

# Annual Operating Synergies

## Corporate Overlap

- Public company costs
- Consolidate facilities and systems
- Standardize processes and plans

## Manufacturing Leverage

- Consolidate manufacturing operations
- Improve material costs
- Improve economies of scale

## Sales / Support Streamlining

- Integrate major account teams, supported by geographical sales resources
- Cross-train support personnel
- Manage overlap

## Product Rationalization

- Realize R&D efficiencies
- Focus on strategic investment and high growth opportunities
- Leverage existing capabilities

*Increased efficiencies resulting in expected annual synergies of at least \$25 million*

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# Important Additional Information and Where You Can Find It

**This presentation may be deemed to be solicitation material in respect of the proposed transaction between Verigy and LTX-Credence. In connection with the transaction, Verigy and Holdco will file a registration statement on Form S-4 with the SEC containing a joint proxy statement/prospectus. The joint proxy statement/prospectus will be mailed to the shareholders of Verigy and LTX-Credence. Investors and security holders of Verigy and LTX-Credence are urged to read the registration statement and joint proxy statement/prospectus when it becomes available because it will contain important information about Verigy, Holdco, LTX-Credence and the proposed transaction. The registration statement and joint proxy statement/prospectus (when they become available), and any other documents filed by Verigy, Holdco or LTX-Credence with the SEC, may be obtained free of charge at the SEC's website at [www.sec.gov](http://www.sec.gov). In addition, investors and security holders may obtain free copies of the documents filed with the SEC by Verigy or Holdco and LTX-Credence by contacting, respectively, Verigy Investor Relations by e-mail at [judy.davies@verigy.com](mailto:judy.davies@verigy.com) or by telephone at 1-408-864-7549 or by contacting LTX-Credence Investor Relations by e-mail at [rich\\_yerganian@ltxc.com](mailto:rich_yerganian@ltxc.com) or by telephone at 1-781-467-5063. Investors and security holders are urged to read the registration statement, joint proxy statement/prospectus and the other relevant materials when they become available before making any voting or investment decision with respect to the proposed transaction. Verigy, LTX-Credence and their respective directors and executive officers may be deemed to be participants in the solicitation of proxies from their shareholders in favor of the proposed transaction. Information about the directors and executive officers of Verigy and LTX-Credence and their respective interests in the proposed transaction will be available in the joint proxy statement/prospectus. Additional information regarding the Verigy directors and executive officers is also included in Verigy's proxy statement for its 2010 Annual Meeting of Shareholders, which was filed with the SEC on February 23, 2010. As of February 12, 2010, Verigy's directors and executive officers beneficially owned approximately 1,595,151 shares, or 2.7%, of Verigy's ordinary shares. Additional information regarding the LTX-Credence directors and executive officers is also included in LTX-Credence's proxy statement for its 2011 Annual Meeting of Stockholders, which was filed with the SEC on November 8, 2010. As of September 30, 2010, LTX-Credence's directors and executive officers beneficially owned approximately 1,940,204 shares, or 3.9%, of LTX-Credence's common stock. These documents are available free of charge at the SEC's web site at [www.sec.gov](http://www.sec.gov) and from Verigy and LTX-Credence, respectively, at the e-mail addresses and phone numbers listed above.**