

Press Release



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Verigy Celebrates Major Milestone in Outsourced Manufacturing Transition

100th Verigy V5000 Memory Test System Shipped from Flextronics China

SEMICON China, Shanghai – March 22, 2007– Verigy (NASDAQ: VRGY), a premier semiconductor test company, today announced a major milestone in its strategy to outsource its manufacturing with the shipment of the 100th Verigy V5000 Series memory test system manufactured by its partner, Flextronics (NASDAQ: FLEX), a leading electronics manufacturing services (EMS) provider.

Verigy selected Flextronics as its manufacturing partner in March 2006. The first V5000 manufactured by Flextronics was installed, qualified and accepted at a customer site in July 2006. Since then, 99 additional V5000 Series systems manufactured by Flextronics have been shipped to Verigy customers, who have rigorously qualified the new systems.

Flextronics performs the critical final assembly and test operations for Verigy's memory test systems. Relying on Flextronics, as well as Verigy's key subassembly manufacturing partners, permits Verigy to achieve greater flexibility and efficiency in managing its supply chain. In addition, utilizing Flextronics' Shanghai site brings Verigy closer to its customers throughout Asia and Japan. Of the 100 systems shipped from Shanghai, approximately 70 were delivered to customers in Asia and Japan.

"Our V5000 Series shipments during our first quarter of fiscal 2007 surpassed our previous quarterly record," said Keith Barnes, chief executive officer and president, Verigy. "Our customers' 100 percent acceptance of the systems shipped from Flextronics China is the most important confirmation of the quality being produced, and shows how well our supply chain model is now working. This milestone clearly illustrates the success of our transition strategy and the strength of our partnership with Flextronics."

Verigy and Flextronics have established an exemplary customer-supplier relationship with extended integration between their teams. Both companies' team members jointly participated in Lean Manufacturing training delivered by Flextronics to create value throughout the entire supply chain.

"We are a proud Verigy partner, and are thrilled to be part of important milestones such as the one announced today," said E.C. Sykes, president, Flextronics' Industrial Market Segment. "By working as a true extension of Verigy's organization, we have been able to ensure the necessary quality and timely production of these complex products, a level of service that underscores our deep commitment to helping our customers achieve market success."

About Flextronics

Headquartered in Singapore (Singapore Reg. No. 199002645H), Flextronics is a leading Electronics Manufacturing Services (EMS) provider focused on delivering complete design, engineering and manufacturing services to automotive, computing, consumer digital, industrial, infrastructure, medical and mobile OEMs. With fiscal year 2006 revenues from continuing operations of US\$15.3 billion, Flextronics helps customers design, build, ship, and service electronics products through a network of facilities in over 30 countries on four continents. This global presence provides design and engineering solutions that are combined with core electronics manufacturing and logistics services, and vertically integrated with components technologies, to optimize customer operations by lowering costs and reducing time to market. For more information, please visit <http://www.flextronics.com>.

About Verigy

Verigy designs, develops, manufactures, sells and services advanced test systems and solutions for the memory and system-on-chip segments of the semiconductor industry. Verigy's scalable platform systems are used by leading semiconductor companies worldwide in design validation, characterization, and high volume manufacturing test. Formerly part of Agilent Technologies, the company began doing business as Verigy on June 1, 2006, and completed its initial public offering on June 13, 2006. Information about Verigy can be found at www.verigy.com.

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