

## Kulicke & Soffa Reports Second Quarter 2013 Results

SINGAPORE--(BUSINESS WIRE)-- Kulicke and Soffa Industries, Inc. (NASDAQ: KLIC) ("Kulicke & Soffa", "K&S" or the "Company") today announced results for its second fiscal quarter ended March 30, 2013.

### Quarterly Results

|                        | Fiscal Q2 2013  | Change vs.<br>Fiscal Q2 2012 | Change vs.<br>Fiscal Q1 2013 |
|------------------------|-----------------|------------------------------|------------------------------|
| Net Revenue            | \$106.1 million | (27.5%)                      | (7.0%)                       |
| Gross Profit           | \$48.8 million  | (26.8%)                      | (5.2%)                       |
| Gross Margin           | 46.0%           | 40 bps                       | 80 bps                       |
| Income from Operations | \$8.2 million   | (59.5%)                      | 94.8%                        |
| Operating Margin       | 7.7%            | (610) bps                    | 400 bps                      |
| Net Income             | \$7.3 million   | (55.9%)                      | 103.6%                       |
| Net Margin             | 6.9%            | (450) bps                    | 370 bps                      |
| EPS — Diluted          | \$0.10          | (54.5%)                      | 100%                         |

Bruno Guilmart, Kulicke & Soffa's President and Chief Executive Officer, said, "The second fiscal quarter's revenue exceeded the high-end of our guidance range. The broadening of our customer base helped partially offset softer demand from certain key customers. Importantly, despite the recent softness and based on the latest VLSI reports and internal data, we believe that we have at least maintained our market share and we remain confident in the ongoing copper transition."

### Second Quarter Fiscal 2013 Key Product Trends

- Ball bonder equipment net revenue decreased 4.3% over the December quarter.
- 67.7% of ball bonder equipment was sold as copper capable bonders.
- Wedge bonder equipment net revenue decreased 56.6% from the December quarter.

### Second Quarter Fiscal 2013 Financial Highlights

- Net revenue of \$106.1 million.
- Gross margin of 46.0%.
- Net income was \$7.3 million or \$0.10 per share.
- Cash and cash equivalents were \$498.6 million as at March 30, 2013.

### Third Quarter Fiscal 2013 Outlook

The Company expects net revenue in the third fiscal quarter of 2013 ending June 29, 2013 to be approximately \$120 million to \$130 million.

Looking forward, Bruno Guilmart commented, "Wire bonding remains a very significant manufacturing process step for the overwhelming majority of global semiconductor products. We do not expect this to change over the foreseeable future, as wire bonding is and will likely continue to be the most cost-effective interconnect solution. We remain positive in our core business outlook and continue to invest in new products that maintain our existing market leadership positions, such as our recently released PowerFusionPSTM line of wedge bonding solutions. We also remain focused on new opportunities, such as investments in our advanced packaging program, which will provide new vectors of long-term growth with an attractive return on investment profile."

### Earnings Conference Call Details

A conference call to discuss these results will be held today, April 30, 2013, beginning at 8:00 am (EDT). To access the conference call, interested parties may call +1-877-407-8037 or internationally +1-201-689-8037. The call will also be available by live webcast at [investor.kns.com](http://investor.kns.com).

A replay will be available from approximately one hour after the completion of the call through May 7, 2013 by calling toll-free +1-877-660-6853 or internationally +1-201-612-7415 and using the replay ID number of 421379. A webcast replay will also be available at [investor.kns.com](http://investor.kns.com).

#### About Kulicke & Soffa

Kulicke & Soffa (NASDAQ: KLIC) is a global leader in the design and manufacture of semiconductor and LED assembly equipment. As a pioneer in this industry, K&S has provided customers with market leading packaging solutions for decades. In recent years, K&S has expanded its product offerings through strategic acquisitions, adding wedge bonding and a broader range of expendable tools to its core ball bonding products. Combined with its extensive expertise in process technology, K&S is well positioned to help customers meet the challenges of assembling the next-generation semiconductor and LED devices. ([www.kns.com](http://www.kns.com))

#### Caution Concerning Results and Forward Looking Statements

*In addition to historical statements, this press release contains statements relating to future events and our future results. These statements are "forward-looking" statements within the meaning of the Private Securities Litigation Reform Act of 1995, and include, but are not limited to, statements that relate to our future revenue, sustained, increasing, continuing or strengthening demand for our products, the continuing transition from gold to copper wire bonding, replacement demand, our research and development efforts, our ability to identify and realize new growth opportunities and our ability to control costs. While these forward-looking statements represent our judgments and future expectations concerning our business, a number of risks, uncertainties and other important factors could cause actual developments and results to differ materially from our expectations. These factors include, but are not limited to: the risk that customer orders already received may be postponed or canceled, generally without charges; the risk that anticipated customer orders may not materialize; the risk that our suppliers may not be able to meet our demands on a timely basis; the volatility in the demand for semiconductors and our products and services; a slowdown of transition from gold to copper wire bonding by our customers and the industry, volatile global economic conditions, which could result in, among other things, sharply lower demand for products containing semiconductors and for the Company's products, and disruption of capital and credit markets; the risk of failure to successfully manage our operations; acts of terrorism and violence; risks, such as changes in trade regulations, currency fluctuations, political instability and war, which may be associated with a substantial non-U.S. customer and supplier base and substantial non-U.S. manufacturing operations; and the factors listed or discussed in Kulicke and Soffa Industries, Inc. 2012 Annual Report on Form 10-K and our other filings with the Securities and Exchange Commission. Kulicke & Soffa Industries, Inc. is under no obligation to (and expressly disclaims any obligation to) update or alter its forward-looking statements whether as a result of new information, future events or otherwise.*

#### KULICKE & SOFFA INDUSTRIES, INC.

#### CONSOLIDATED STATEMENTS OF OPERATIONS

*(In thousands, except per share and employee data)*

*(Unaudited)*

|                   | Three months ended |                   | Six months ended  |                   |
|-------------------|--------------------|-------------------|-------------------|-------------------|
|                   | March 30,<br>2013  | March 31,<br>2012 | March 30,<br>2013 | March 31,<br>2012 |
| Net revenue:      |                    |                   |                   |                   |
| Equipment         | \$ 91,083          | \$ 131,053        | \$ 190,985        | \$ 237,202        |
| Expendable Tools  | 15,027             | 15,255            | 29,164            | 29,130            |
| Total net revenue | 106,110            | 146,308           | 220,149           | 266,332           |

|  |                    |           |                  |           |
|--|--------------------|-----------|------------------|-----------|
| Cost of sales:                             |                    |           |                  |           |
| Equipment                                  | 51,140             | 72,835    | 107,572          | 131,839   |
| Expendable Tools                           | 6,150              | 6,786     | 12,232           | 12,530    |
| Total cost of sales                        | 57,290             | 79,621    | 119,804          | 144,369   |
| Gross profit:                              |                    |           |                  |           |
| Equipment                                  | 39,943             | 58,218    | 83,413           | 105,363   |
| Expendable Tools                           | 8,877              | 8,469     | 16,932           | 16,600    |
| Total gross profit                         | 48,820             | 66,687    | 100,345          | 121,963   |
| Operating expenses:                        |                    |           |                  |           |
| Selling, general and administrative        | 26,204             | 27,484    | 52,234           | 52,724    |
| Research and development                   | 12,207             | 15,911    | 30,460           | 30,059    |
| Amortization of intangible assets          | 2,294              | 2,294     | 4,587            | 4,589     |
| Restructuring                              | (75 )              | 756       | 669              | 1,973     |
| Total operating expenses                   | 40,630             | 46,445    | 87,950           | 89,345    |
| Income from operations:                    |                    |           |                  |           |
| Equipment                                  | 4,428              | 18,016    | 6,173            | 27,893    |
| Expendable Tools                           | 3,762              | 2,226     | 6,222            | 4,725     |
| Total income from operations               | 8,190              | 20,242    | 12,395           | 32,618    |
| Other income (expense):                    |                    |           |                  |           |
| Interest income                            | 188                | 191       | 362              | 451       |
| Interest expense                           | (1 )               | (242 )    | (1 )             | (484 )    |
| Interest expense: non-cash                 | -                  | (1,958 )  | -                | (3,868 )  |
| Income from operations before income taxes | 8,377              | 18,233    | 12,756           | 28,717    |
| Provision for income taxes                 | 1,041              | 1,616     | 1,816            | 3,593     |
| Net income                                 | \$ 7,336           | \$ 16,617 | \$ 10,940        | \$ 25,124 |
| Net income per share:                      |                    |           |                  |           |
| Basic                                      | \$ 0.10            | \$ 0.23   | \$ 0.15          | \$ 0.34   |
| Diluted                                    | \$ 0.10            | \$ 0.22   | \$ 0.14          | \$ 0.33   |
| Weighted average shares outstanding:       |                    |           |                  |           |
| Basic                                      | 75,166             | 73,825    | 75,009           | 73,683    |
| Diluted                                    | 76,553             | 75,553    | 76,332           | 75,160    |
| <i>Supplemental financial data:</i>        |                    |           |                  |           |
|  | Three months ended |           | Six months ended |           |
|  | March 30,          | March 31, | March 30,        | March 31, |
|  | 2013               | 2012      | 2013             | 2012      |
| Depreciation and amortization              | \$ 4,702           | \$ 4,221  | \$ 9,504         | \$ 8,479  |

|   |          |          |           |            |
|---|----------|----------|-----------|------------|
| Capital expenditures                    | \$ 1,787 | \$ 1,383 | \$ 3,403  | \$ 2,881   |
| Equity-based compensation expense:      |          |          |           |            |
| Cost of sales                           | \$ 74    | \$ 97    | \$ 222    | \$ 182     |
| Selling, general and administrative     | 1,925    | 1,833    | 4,251     | 3,444      |
| Research and development                | 293      | 463      | 1,020     | 866        |
| Total equity-based compensation expense | \$ 2,292 | \$ 2,393 | \$ 5,493  | \$ 4,492   |
|   |          |          | As of     |            |
|   |          |          | March 30, | March 31,  |
|   |          |          | 2013      | 2012       |
| Backlog of orders                       |          |          | \$ 56,000 | \$ 164,000 |
| Number of employees                     |          |          | 2,328     | 2,802      |

KULICKE & SOFFA INDUSTRIES, INC.  
CONSOLIDATED BALANCE SHEETS  
(In thousands)  
(Unaudited)

|  | March 30, | September |
|--|-----------|-----------|
|  | 2013      | 29,       |
|  |           | 2012      |
| ASSETS   |           |           |
| CURRENT ASSETS   |           |           |
| Cash and cash equivalents  | \$498,619 | \$440,244 |
| Short-term investments   | -         | -         |
| Accounts and notes receivable, net of allowance for doubtful accounts of \$852 and \$937, respectively | 117,232   | 188,986   |
| Inventories, net   | 45,594    | 58,994    |
| Prepaid expenses and other current assets  | 18,467    | 21,577    |
| Deferred income taxes  | 3,511     | 3,515     |
| TOTAL CURRENT ASSETS   | 683,423   | 713,316   |
| Property, plant and equipment, net   | 26,592    | 28,441    |
| Goodwill   | 41,546    | 41,546    |
| Intangible assets  | 15,798    | 20,387    |
| Other assets   | 11,039    | 11,919    |
| TOTAL ASSETS   | \$778,398 | \$815,609 |
| LIABILITIES AND SHAREHOLDERS' EQUITY   |           |           |
| CURRENT LIABILITIES  |           |           |
| Accounts payable   | \$26,385  | \$57,231  |
| Accrued expenses and other current liabilities   | 38,139    | 57,946    |

|   |                   |                   |
|---|-------------------|-------------------|
| Income taxes payable                              | 5,558             | 8,192             |
| <b>TOTAL CURRENT LIABILITIES</b>                  | <b>70,082</b>     | <b>123,369</b>    |
| Deferred income taxes                             | 38,085            | 37,875            |
| Other liabilities                                 | 9,031             | 10,698            |
| <b>TOTAL LIABILITIES</b>                          | <b>117,198</b>    | <b>171,942</b>    |
| <b>SHAREHOLDERS' EQUITY</b>                       |                   |                   |
| Common stock, no par value                        | 461,154           | 455,122           |
| Treasury stock, at cost                           | (46,356 )         | (46,356 )         |
| Accumulated income                                | 243,460           | 232,520           |
| Accumulated other comprehensive income            | 2,942             | 2,381             |
| <b>TOTAL SHAREHOLDERS' EQUITY</b>                 | <b>661,200</b>    | <b>643,667</b>    |
| <b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b> | <b>\$ 778,398</b> | <b>\$ 815,609</b> |

**KULICKE & SOFFA INDUSTRIES, INC.**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
*(In thousands)*  
*(Unaudited)*

|   | Three months ended |                   | Six months ended  |                   |
|---|--------------------|-------------------|-------------------|-------------------|
|   | March 30,<br>2013  | March 31,<br>2012 | March 30,<br>2013 | March 31,<br>2012 |
| Net cash provided by (used in) operations                                     | \$ (1,662 )        | \$ 23,623         | \$ 56,832         | \$ 57,947         |
| Net cash used in discontinued operations                                      | -                  | (559 )            | -                 | (1,045 )          |
| Net cash provided by (used in) operating activities                           | (1,662 )           | 23,064            | 56,832            | 56,902            |
| Net cash provided by (used in) investing activities,<br>continuing operations | 6,423              | (1,383 )          | 1,907             | (11,365 )         |
| Net cash provided by financing activities, continuing<br>operations           | 381                | 967               | 540               | 2,543             |
| Effect of exchange rate changes on cash and cash equivalents                  | (693 )             | (270 )            | (904 )            | (129 )            |
| Changes in cash and cash equivalents  | 4,449              | 22,378            | 58,375            | 47,951            |
| Cash and cash equivalents, beginning of period                                | 494,170            | 403,761           | 440,244           | 378,188           |
| Cash and cash equivalents, end of period                                      | \$ 498,619         | \$ 426,139        | \$ 498,619        | \$ 426,139        |
| Short-term investments & restricted cash                                      | -                  | -                 | -                 | -                 |
| Total cash, cash equivalents, restricted cash and short-term<br>investments   | \$ 498,619         | \$ 426,139        | \$ 498,619        | \$ 426,139        |

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<https://investor.kns.com/2013-04-30-Kulicke-Soffa-Reports-Second-Quarter-2013-Results>