

NEWS *for Immediate Release***KULICKE & SOFFA AND MICROBONDS FORM JOINT ALLIANCE
ON X-WIRE™ TECHNOLOGY**

WILLOW GROVE, PA., July 18, 2005 -- Kulicke & Soffa Industries, Inc. (NASDAQ:KLIC) and Microbonds Inc. (a private Canadian corporation) recently announced a joint process development project to align the technological roadmaps of Microbonds' new insulated gold wire bonding products and processes called X-Wire™ Technology with the advanced Maxum Series Wire Bonders from K&S.

Microbonds' X-Wire™ Technology addresses many of the difficult interconnect challenges arising from the increasingly complex single and stacked die packaging designs associated with the decreasing geometries and increasing performance capabilities of today's advanced ICs. This engineering effort will provide a more integrated and seamless assembly process for customers.

"K&S has been leading the way in advanced engineering solutions in multi-tier and multi-row IC packages" notes Christian Rheault, K & S Vice President, Ball Bonders. "The potential to shrink package size, increase performance, reduce costs and enhance reliability using Microbonds' X-Wire Technology within the established wire bonding assembly environment is a very intriguing development that we are delighted to support for the benefit of our customers and the industry."

Preliminary testing at K&S' R&D facilities in extremely challenging wire bonding applications using the new Microbonds' insulated bond wire along with the K&S' Maxum wire bonders have produced successful results with some yield improvements

Craig Geier, President & CEO of Microbonds stated, "As traditional packaging technologies have inherent limitations, our customers are seeking new solutions to address their interconnect challenges. The integration of our X-Wire Technology with the leading advanced K&S platform of

wire bonding technologies will provide customers new flexibility in the development of high performance-to-cost packaged ICs.”

K&S and Microbonds plan to continue this joint engineering initiative to provide effective packaging solutions to many of the difficult interconnect challenges associated with the shrinking and increasingly complex semiconductors being designed and built today.

About K&S

Kulicke & Soffa (NASDAQ: KLIC) is the world's leading supplier of semiconductor wire bonding assembly equipment. K&S is the only major supplier to the semiconductor assembly industry that provides customers with semiconductor wire bonding equipment along with the complementing packaging materials and test interconnect products that actually contact the surface of the customer's semiconductor devices. The ability to control all of these assembly related products is unique to Kulicke & Soffa, and allows us to develop system solutions to the new technology challenges inherent in assembling and packaging next-generation semiconductor devices. Test interconnect products include a variety of wafer probe cards, ATE interface assemblies, and ATE boards for wafer testing, as well as test sockets for all types of packaged semiconductor devices. Kulicke & Soffa's web site address is <http://www.kns.com>.

About Microbonds

Microbonds, Inc. is a pioneer in the development of unique microchip interconnect solutions for use in the design and assembly of microelectronic devices. The company's core technology enables the development of faster, smaller and cheaper microchips while improving manufacturing reliability. Founded in 1999 by IBM-trained engineers, the company's approach is proven through testing with major IC companies. Microbonds is a privately held company funded by a leading Canadian VC, Whitecap Venture Partners and a number of private global angel investors. For more information, see www.microbonds.com

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For more information on the X-Wire Technology joint alliance, contact Mark Sullivan, K&S Marketing Director at msullivan@kns.com or Craig Geier, Microbonds' President & CEO at cgeier@microbonds.com