

Almere, The Netherlands

February 28, 2018

# ASM INTERNATIONAL N.V. REPORTS FOURTH QUARTER 2017 RESULTS

ASM International N.V. (Euronext Amsterdam: ASM) today reports its fourth quarter 2017 operating results (unaudited) in accordance with IFRS.

## FINANCIAL HIGHLIGHTS

EUR million	Quarter		
	Q4 2016	Q3 2017	Q4 2017
New orders	176.9	160.4	203.2
Net sales	172.6	185.3	205.6
Gross profit margin %	44.9%	40.0%	39.3%
Operating result	29.9	25.7	34.9
Result from investments (excluding amortization intangible assets resulting from the sale of the 12% stake of ASMPT)	18.4	32.1	14.0
Amortization intangible assets resulting from the sale of the 12% stake of ASMPT	(7.0)	(5.4)	(4.6)
Result from sale of ASMPT stake	—	—	183.9
Net earnings	61.5	42.2	224.8
Normalized net earnings (excluding amortization intangible assets resulting from the sale of the 12% stake of ASMPT and result from sale and dilution of ASMPT stake)	68.5	47.6	45.5

- New orders at €203 million were 27% above the Q3 2017 level and 15% above the level of Q4 2016.
- Net sales for the fourth quarter 2017 were €206 million, an increase of 11% compared to the previous quarter. Year-on-year net sales increased with 19%.
- Operating result increased to €35 million. This increase is mainly the result of higher sales.
- Normalized net earnings for the fourth quarter 2017 decreased by €2 million compared to the third quarter 2017. The €18 million decrease of the result of investment is partly offset by the better operating result of ASMI (+€9 million), lower negative effects of currencies (+€3 million), and the recognition of net losses, mainly in the USA (+€4 million).

## COMMENT

Commenting on the results Chuck del Prado said: "In Q4 we realized sales of €206 million and an order intake of €203 million. Our sales were well in line with our guidance while order intake was substantially higher. Our sales included again several deliveries of Intrepid Epitaxy and PECVD systems. As earlier mentioned these products show initially lower margins. The margin on those products showed a clear improvement within the quarter, however this improvement was offset by some incidental results. We expect our gross margin to normalize again in the course of 2018."

## OUTLOOK

For Q1 and Q2, on a currency comparable level, we expect sales respectively of €155-175 million and €200-230 million. The broader range for Q2 reflects some uncertainty around the exact timing of individual tool shipments.

For Q1, on a currency comparable level, we expect an order intake of €190-210 million.

For 2018, market watchers currently expect the wafer fab equipment market to increase with, on average, a high single digit percentage. We aim to outgrow the wafer fab equipment market in 2018.

## SHARE BUYBACK PROGRAM AND CAPITAL REPAYMENT

During the Annual General Meeting of Shareholders of May 22, 2017, the Board was authorized to acquire up to 10% of ASMI shares for a period of 18 months.

On April 24, 2017, ASMI announced a partial sale of a stake of approximately 5% of in ASMPT, whereby ASMI indicated to use the proceeds of approximately €245 million for a new share buyback program. The start of this new program for a total amount of €250 million was announced on September 22, 2017. At that time, ASMI also announced that it had the intention to reduce its capital by withdrawing the repurchased shares after having received the approval from its shareholders. The repurchase program is part of ASMI's commitment to use excess cash for the benefit of its shareholders. On December 31, 2017, 60.0% of the program was completed at an average share price of €56.77, while as per February 23, 2018, 96% of the program was completed.

On November 2, 2017, ASMI announced a partial sale of a stake of approximately 9% in ASMPT, whereby ASMI received proceeds of approximately €445 million. ASMI intends to propose to the 2018 Annual General Meeting to distribute €4.00 per common share free of any withholding tax. To this end it is proposed that the distribution is effected as a repayment of capital to the shareholders by way of a reduction of the par value of the common shares. Moreover ASMI plans to use €250 million for a new share buyback program.

As of February 23, 2018, ASMI held 7.8 million treasury shares (at the end of 2017: 6.16 million), which is more than sufficient to cover our outstanding options and restricted/performance shares. Hence ASMI will propose to the Annual General Meeting, to be held on May 28, 2018, the cancellation of 6 million treasury shares.

ASMI will propose to the forthcoming 2018 Annual General Meeting Shareholders, to declare a dividend of €0.80 per common share.

## About ASM International

ASM International NV, headquartered in Almere, the Netherlands, its subsidiaries and participations design and manufacture equipment and materials used to produce semiconductor devices. ASM International, its subsidiaries and participations provide production solutions for wafer processing (Front-end segment) as well as for assembly & packaging and surface mount technology (Back-end segment) through facilities in the United States, Europe, Japan and Asia. ASM International's common stock trades on the Euronext Amsterdam Stock Exchange (symbol ASM). For more information, visit ASMI's website at [www.asm.com](http://www.asm.com).

*Cautionary Note Regarding Forward-Looking Statements: All matters discussed in this press release, except for any historical data, are forward-looking statements. Forward-looking statements involve risks and uncertainties that could cause actual results to differ materially from those in the forward-looking statements. These include, but are not limited to, economic conditions and trends in the semiconductor industry generally and the timing of the industry cycles specifically, currency fluctuations, corporate transactions, financing and liquidity matters, the success of restructurings, the timing of significant orders, market acceptance of new products, competitive factors, litigation involving intellectual property, shareholders or other issues, commercial and economic disruption due to natural disasters, terrorist activity, armed conflict or political instability, epidemics and other risks indicated in the Company's reports and financial statements. The Company assumes no obligation nor intends to update or revise any forward-looking statements to reflect future developments or circumstances.*

ASM International will host an investor conference call and web cast on Thursday, March 1, 2018 at 15:00 Continental European Time (10:00 a.m. - US Eastern Time).

The teleconference dial-in numbers are as follows:

- United States: +1 646 828 8193
- International: +44 (0)330 336 9411
- The Netherlands: +31 (0)20 703 8261
- Access Code: 6043871

A simultaneous audio webcast and replay will be accessible at [www.asm.com](http://www.asm.com).

## CONTACT

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# ANNEX 1

## OPERATING AND FINANCIAL REVIEW FOURTH QUARTER 2017

The following table shows the operating performance for the fourth quarter of 2017 as compared to the third quarter of 2017 and the fourth quarter of 2016:

EUR million (except per share data)	Q4 2016 <i>unaudited</i>	Q3 2017 <i>unaudited</i>	Q4 2017 <i>unaudited</i>	Change Q3 2017 to Q4 2017	Change Q4 2016 to Q4 2017
New orders	176.9	160.4	203.2	27 %	15 %
Backlog	156.7	179.8	176.3	(2)%	12 %
Book-to-bill	1.0	0.9	1.0		
Net sales	172.6	185.3	205.6	11 %	19 %
Gross profit	77.5	74.1	80.7	9 %	4 %
Gross profit margin %	44.9%	40.0%	39.3%		
Selling, general and administrative expenses	(23.1)	(25.9)	(25.0)	(3)%	8 %
Research and development expenses	(24.0)	(22.5)	(20.7)	(8)%	(14)%
Restructuring expenses	(0.4)	—	(0.1)	n/a	n/a
Operating result	29.9	25.7	34.9	9.2	5.0
Operating margin %	17.3%	13.9%	17.0%		
Financing costs	19.3	(7.7)	(5.1)	2.6	(24.4)
Income tax	0.8	(2.5)	1.6	4.2	0.8
Result from investments (excluding amortization intangible assets resulting from the sale of the 12% stake of ASMPT)	18.4	32.1	14.0	(18.1)	(4.4)
Amortization intangible assets resulting from the sale of the 12% stake of ASMPT	(7.0)	(5.4)	(4.6)	0.8	2.4
Result from sale of ASMPT stake	—	—	183.9	183.9	183.9
Net earnings	61.5	42.2	224.8	182.6	163.3
Normalized net earnings (excluding amortization intangible assets resulting from the sale of the 12% stake of ASMPT and result from sale and dilution of ASMPT stake)	68.5	47.6	45.5	(2.1)	(23.0)
Net earnings per share, diluted	1.01	0.71	3.91	3.20	2.90
Normalized net earnings per share, diluted	1.13	0.80	0.79	(0.01)	(0.34)

## Results

The backlog decreased from €180 million at the end of the third quarter 2017 to €176 million as per December 31, 2017. The book-to-bill ratio for Q4 was 1.0. In terms of customer segments, new orders in the fourth quarter were led by memory, followed by foundry and then logic.

The following table shows the level of new orders for the fourth quarter of 2017 and the backlog at the end of the fourth quarter of 2017, compared to the previous quarter and the comparable quarter previous year:

EUR million	Q4 2016	Q3 2017	Q4 2017	Change Q3 2017 to Q4 2017	Change Q4 2016 to Q4 2017
Backlog at the beginning of the quarter	154.4	209.6	179.8	(14)%	16%
New orders for the quarter	176.9	160.4	203.2	27 %	15%
Net sales for the quarter	(172.6)	(185.3)	(205.6)	11 %	19%
FX-effect for the quarter	(2.0)	(4.9)	(1.1)		
Backlog at the end of the quarter	<b>156.7</b>	<b>179.8</b>	<b>176.3</b>	<b>(2)%</b>	<b>12%</b>
Book-to-bill ratio (new orders divided by net sales)	1.0	0.9	1.0		

**Net sales** for the fourth quarter 2017 increased by 11% compared to the previous quarter and increased by 19% year-on-year. Net sales in the fourth quarter were led by foundry followed by memory. The impact of currency changes was a decrease of 1% quarter to quarter and a decrease of 7% year-on-year.

**The gross profit margin** decreased from 40.0% in Q3 to 39.3% in Q4. For Q4 2016 gross profit margin was 44.9%. The gross profit margin continued to be impacted by new product introductions and related initial costs. While the negative impact of the new products moderated from 5% points in Q3 to 3% points in Q4, the gross margin in the fourth quarter was negatively impacted by some incidental results. The impact of currency changes on gross profit was a decrease of 1% quarter to quarter and a decrease of 8% year-on-year.

**Selling, general and administrative expenses** decreased with 3% compared to the previous quarter. As a percentage of sales SG&A expenses were 12% (Q3 2017: 14%, Q4 2016: 13%). There was no impact of currency changes on SG&A expenses quarter to quarter. The impact of currency changes was a decrease of 6% year-on-year.

**Research and development expenses** decreased with 8% compared to the previous quarter.

EUR million	Q4 2016	Q3 2017	Q4 2017	Change Q3 2017 to Q4 2017	Change Q4 2016 to Q4 2017
R&D expenditure	(26.5)	(27.6)	(29.5)	7 %	11 %
Capitalized development expenditure	6.8	8.4	14.7	74 %	116 %
Amortization capitalized development expenditure	(4.3)	(3.3)	(2.9)	(14)%	(33)%
Impairment	—	—	(3.0)	n/a	n/a
R&D expenses	<b>(24.0)</b>	<b>(22.5)</b>	<b>(20.7)</b>	<b>(8)%</b>	<b>(14)%</b>

As a percentage of sales R&D expenses were 10% compared 12% for the same period previous year, mainly due to a higher capitalization of development costs within the quarter. For the fourth quarter of 2016 this was 14%. The impact of currency changes on R&D expenses was a decrease of 1% quarter to quarter and a decrease of 7% year-on-year.

**Financing costs** are mainly related to translation results. The Q4 2017 results included a translation loss of €5 million compared to a loss of €8 million included in the Q3 2017 results and a gain of €19 million included in the Q4 2016 results. The translation results are mainly related to movements in the US dollar in the respective periods. A substantial part of ASMI's cash position is denominated in US dollar.

**Income tax** in the fourth quarter amounted to an income of € 1.6 million. Income tax in the previous quarter amounted to an expense of €2.5 million.

**Result from investments** includes our approximate 25% share in net earnings of ASMPT. In Q4 ASMPT showed a sales decrease of 17% compared to the previous quarter, from HK\$5,110 million to HK\$4,227 million. Sales were 20% above the level of Q4, 2016, of HK\$3,521 million. ASMPT's net earnings excluding one-offs, on a 100% basis, decreased with 48% to €49 million compared to the previous quarter. Q4 last year, also on a 100% basis, showed net earnings, excluding one-offs, of €45 million.

Amortization intangible assets reduced to €5 million resulting from the sale of the 12% stake of ASMPT. For 2018, on a currency comparable basis, this amortization is expected to amount to €13 million.

## Cash flow, balance sheet, liquidity and capital resources

*Cash flow.* The following table shows the cash flow statement on a comparable basis.

EUR million	Q4 2016 <i>unaudited</i>	Q3 2017 <i>unaudited</i>	Q4 2017 <i>unaudited</i>
Net earnings	61.5	42.2	224.8
Adjustments to cash from operating activities			
Depreciation, amortization and impairments	15.1	11.3	15.3
Income tax	(0.8)	2.5	(1.6)
Result from investments	(11.4)	(26.7)	(193.3)
Other adjustments	(14.6)	0.8	8.3
Changes in other assets and liabilities			
Accounts receivable	(31.5)	15.6	(35.9)
Inventories	3.7	(2.2)	8.5
Accounts payable	4.2	(10.5)	7.0
Other assets and liabilities	(7.8)	5.4	1.5
Income tax paid	(0.4)	(2.1)	(0.7)
<b>Net cash from operating activities</b>	<b>18.1</b>	<b>36.2</b>	<b>34.0</b>
Capital expenditures	0.3	(8.5)	(15.5)
Capitalized development expenditure	(6.8)	(8.4)	(14.7)
Dividend received from associates	—	18.3	—
Proceeds of disposal of ASMPT stake	—	—	445.2
Other	(1.4)	(0.7)	(0.2)
<b>Net cash from investing activities</b>	<b>(7.9)</b>	<b>0.7</b>	<b>414.8</b>
Share buyback	(13.2)	(32.5)	(136.6)
Shares issued	2.7	0.3	2.8
Dividends to common shareholders ASMI	—	—	—
Debt issuance fees paid	(0.8)	—	—
<b>Net cash from financing activities</b>	<b>(11.3)</b>	<b>(32.2)</b>	<b>(133.8)</b>
<b>Net cash (used) provided</b>	<b>(1.0)</b>	<b>4.7</b>	<b>314.9</b>

## Balance sheet

EUR million	December 31, 2016	December 31, 2017 <i>unaudited</i>
Property, plant and equipment	95.0	110.7
Goodwill	11.3	11.3
Capitalized development costs	88.2	100.6
Other intangible assets	12.0	12.7
Investments in associates	1,218.0	730.6
Other non-current assets	55.3	52.7
<b>Total non-current assets</b>	<b>1,479.8</b>	<b>1,018.5</b>
Inventories	112.3	142.8
Accounts receivable	137.0	163.1
Other current assets	23.2	16.3
Cash and cash equivalents	378.2	836.5
<b>Total current assets</b>	<b>650.7</b>	<b>1,158.7</b>
<b>Total assets</b>	<b>2,130.5</b>	<b>2,177.2</b>
<b>Equity</b>	<b>1,998.1</b>	<b>2,011.5</b>
Pension liabilities	1.4	0.4
Deferred tax liabilities	13.1	13.9
<b>Total non-current liabilities</b>	<b>14.5</b>	<b>14.3</b>
Accounts payable	60.9	79.3
Other current liabilities	57.0	72.1
<b>Total current liabilities</b>	<b>117.9</b>	<b>151.4</b>
<b>Total liabilities and equity</b>	<b>2,130.5</b>	<b>2,177.2</b>

*Net working capital*, consisting of accounts receivable, inventories, other current assets, accounts payable, accrued expenses, advance payments from customers and deferred revenue, increased to €171 million compared to €163 million per September 30, 2017 (€157 million per December 31, 2016) reflecting the higher activity level. The number of outstanding days of working capital, measured against quarterly sales, decreased to 75 days on December 31, 2017 from 79 days on September 30, 2017 (81 days on December 31, 2016).

*Sources of liquidity.* As per December 31, 2017, the Company's principal sources of liquidity consisted of €836 million in cash and cash equivalents and €150 million in undrawn bank lines.

## OPERATING AND FINANCIAL REVIEW

### FULL YEAR

The following table shows the operating performance for the full year 2017 as compared to the same period of the previous year:

EUR million (except per share data)	Full year		Change
	2016	2017 <i>unaudited</i>	
New orders	622.3	773.6	24%
Backlog	156.7	176.3	13%
Book-to-bill	1.0	1.0	
Net sales	597.9	737.4	23%
Gross profit	264.5	305.9	16%
Gross profit margin %	44.2%	41.5%	
Selling, general and administrative expenses	(88.0)	(99.1)	13%
Research and development expenses	(91.1)	(92.8)	2%
Restructuring expenses	(3.1)	(0.8)	n/a
Operating result	82.2	113.2	30.9
Operating margin %	13.8%	15.3%	
Financing costs	15.0	(30.7)	(45.7)
Income tax	(2.3)	(4.6)	(2.3)
Result from investments (excluding amortization intangible assets resulting from the sale of the 12% stake of ASMPT)	67.7	112.4	44.7
Amortization intangible assets resulting from the sale of the 12% stake of ASMPT	(27.2)	(22.8)	4.4
Result from sale of ASMPT stake <sup>1</sup>	—	284.9	284.9
Net earnings	135.5	452.4	316.9
Normalized net earnings (excluding amortization intangible assets resulting from the sale of the 12% stake of ASMPT and result from sale and dilution of ASMPT stake)	162.7	190.3	27.6
Net earnings per share, diluted	2.21	7.64	5.43
Normalized net earnings per share, diluted	2.66	3.22	0.56

<sup>1)</sup> Result from sale of ASMPT stake includes a restatement of the Q2 result of the sale and dilution of the ASMPT stake. An amount of €17 million related to dilution on the intangible assets resulting from the 12% stake sale in 2013 was reversed as it relates to 2013 to 2016. This amount has been corrected in the beginning position of the balance sheet in investments in associates and equity.



## Results

The backlog increased with 13% compared to December 31, 2016. The book-to-bill ratio was 1.0.

The following table shows the level of new orders for the twelve months ended December 31, 2017 and the backlog as per December 31, 2017 compared to the comparable period of 2016:

EUR million	Full year		
	2016	2017	% Change
Backlog at the beginning of the year	127.8	156.7	23%
New orders	622.3	773.6	24%
Net sales	(597.9)	(737.4)	23%
FX-effect	4.5	(16.6)	
<b>Backlog as per reporting date</b>	<b>156.7</b>	<b>176.3</b>	<b>13%</b>
Book-to-bill ratio (new orders divided by net sales)	1.0	1.0	

**Net sales** for the full year 2017 increased with 23% year-on-year. The impact of currency changes was a decrease of 2% year-on-year.

**The gross profit margin** decreased from 44.2% in 2016 to 41.5% in 2017, mainly due to the introduction of new products. The impact of currency changes was a decrease of 2% year-on-year.

**Selling, general and administrative expenses** increased with 13% compared to the previous year. As a percentage of sales SG&A expenses were 13% compared to 15% for the same period previous year. The impact of currency changes was a decrease of 1% year-on-year.

### Research and development expenses

EUR million	Full year		
	2016	2017	% Change
R&D expenditure	(100.7)	(113.8)	13%
Capitalized development expenditure	26.5	38.6	46%
Amortization capitalized development expenditure	(13.3)	(13.3)	—%
Impairment	(3.6)	(4.3)	n/a
<b>R&amp;D expenses</b>	<b>(91.1)</b>	<b>(92.8)</b>	<b>2%</b>

Research and development expenses increased with 2% compared to the comparable period previous year, driven by additional investments to fulfill customer requirements. As a percentage of sales R&D expenses were 13%, compared to 15% for the previous year. The impact of currency changes was a decrease of 2% year-on-year.

## ANNEX 2

### ASM INTERNATIONAL N.V. CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

EUR thousand, except per share data	Three months ended December 31,		Full year	
	2016 <i>(unaudited)</i>	2017 <i>(unaudited)</i>	2016	2017 <i>(unaudited)</i>
Net sales	<b>172,560</b>	<b>205,602</b>	<b>597,930</b>	<b>737,401</b>
Cost of sales	(95,076)	(124,877)	(333,430)	(431,506)
Gross profit	<b>77,483</b>	<b>80,725</b>	<b>264,500</b>	<b>305,895</b>
Operating expenses:				
Selling, general and administrative	(23,149)	(25,025)	(87,998)	(99,149)
Research and development	(24,018)	(20,676)	(91,129)	(92,777)
Restructuring expenses	(378)	(91)	(3,132)	(782)
Total operating expenses	(47,545)	(45,792)	(182,259)	(192,708)
Operating result	<b>29,938</b>	<b>34,933</b>	<b>82,241</b>	<b>113,187</b>
Net interest income (expense)	148	18	1,999	(116)
Foreign currency exchange gains (losses)	19,173	(5,085)	13,032	(30,546)
Result from investments	11,393	193,289	40,488	374,512
Earnings before income taxes	<b>60,652</b>	<b>223,155</b>	<b>137,760</b>	<b>457,037</b>
Income tax	827	1,620	(2,289)	(4,635)
Net earnings	<b>61,479</b>	<b>224,775</b>	<b>135,471</b>	<b>452,402</b>
Per share data:				
Basic net earnings	1.03	3.95	2.23	7.72
Diluted net earnings (1)	1.01	3.91	2.21	7.64
Weighted average number of shares used in computing per share amounts (in thousand):				
Basic	59,887	56,889	60,616	58,573
Diluted (1)	60,600	57,551	61,253	59,187
Outstanding shares:	59,816	56,140	59,816	56,140
Treasury shares:	3,982	6,157	3,982	6,157

(1) The calculation of diluted net earnings per share reflects the potential dilution that could occur if securities or other contracts to issue common stock were exercised or converted into common stock or resulted in the issuance of common stock that then shared in earnings of the Company. Only instruments that have a dilutive effect on net earnings are included in the calculation. The calculation is done for each reporting period individually. The possible increase of common shares caused by employee stock options and restricted shares for the three months ended December 31, 2017 is 661,572 common shares, and for the full year 2017 the possible increase is 614,330 common shares. Adjustments have been reflected in the diluted weighted average number of shares and net earnings per share for this period.

*Amounts are rounded to the nearest thousand euro; therefore amounts may not equal (sub) totals due to rounding.*

**ASM INTERNATIONAL N.V.**  
**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

EUR thousand	December 31, 2016	December 31, 2017 <i>(unaudited)</i>
<b>Assets</b>		
Property, plant and equipment	95,004	110,676
Goodwill	11,270	11,270
Other intangible assets	100,179	113,295
Investments in associates	1,218,024	730,552
Deferred tax assets	13,919	18,116
Other non-current assets	4,824	4,847
Evaluation tools at customers	36,594	29,710
<b>Total non-current assets</b>	<b>1,479,814</b>	<b>1,018,464</b>
Inventories	112,339	142,849
Accounts receivable	137,020	163,135
Income taxes receivable	370	1,272
Other current assets	22,849	15,021
Cash and cash equivalents	378,157	836,461
<b>Total current assets</b>	<b>650,735</b>	<b>1,158,737</b>
<b>Total Assets</b>	<b>2,130,549</b>	<b>2,177,201</b>
<b>Equity and liabilities</b>		
<b>Equity</b>	<b>1,998,142</b>	<b>2,011,512</b>
Pension liabilities	1,418	386
Deferred tax liabilities	13,118	13,864
<b>Total non-current liabilities</b>	<b>14,536</b>	<b>14,250</b>
Accounts payable	60,910	79,349
Provision for warranty	5,800	6,562
Income taxes payable	2,467	6,576
Accrued expenses and other payables	48,694	58,954
<b>Total current liabilities</b>	<b>117,871</b>	<b>151,440</b>
<b>Total Liabilities</b>	<b>132,407</b>	<b>165,690</b>
<b>Total Equity and Liabilities</b>	<b>2,130,549</b>	<b>2,177,201</b>

*Amounts are rounded to the nearest thousand euro; therefore amounts may not equal (sub) totals due to rounding.*

**ASM INTERNATIONAL N.V.**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**

EUR thousand	Three months ended December 31,		Full year	
	2016 (unaudited)	2017 (unaudited)	2016	2017 (unaudited)
<b>Cash flows from operating activities:</b>				
Net earnings	61,479	224,775	135,471	452,402
Adjustments to reconcile net earnings to net cash from operating activities:				
Depreciation, amortization and impairments	15,145	15,302	51,690	52,097
Income tax	(827)	(1,620)	2,289	4,635
Result from investments	(11,393)	(193,289)	(40,488)	(374,512)
Other adjustments	(14,630)	8,312	5,904	37,410
<b>Changes in other assets and liabilities:</b>				
Accounts receivable	(31,466)	(35,880)	(43,352)	(37,930)
Inventories	3,738	8,535	(9,510)	(45,161)
Accounts payable	4,249	6,997	5,350	23,064
Other assets and liabilities	(7,841)	1,505	(8,517)	11,968
Income tax paid	(355)	(657)	(7,425)	(3,870)
<b>Net cash from operating activities</b>	<b>18,099</b>	<b>33,978</b>	<b>91,412</b>	<b>120,103</b>
<b>Cash flows from investing activities:</b>				
Capital expenditures	283	(15,547)	(25,743)	(47,391)
Capitalized development expenditure	(6,773)	(14,652)	(27,327)	(38,615)
Purchase of intangible assets	(1,377)	(213)	(7,024)	(2,393)
Dividend received from associates	—	—	22,083	36,458
Proceeds of disposal of ASMPT stake	—	445,173	—	690,660
<b>Net cash from (used) in investing activities</b>	<b>(7,867)</b>	<b>414,761</b>	<b>(38,011)</b>	<b>638,719</b>
<b>Cash flows from financing activities:</b>				
Purchase of treasury shares ASMI	(13,164)	(136,604)	(97,024)	(239,555)
Proceeds from issuance of treasury shares	2,706	2,799	14,709	13,293
Dividends to common shareholders ASMI	—	—	(42,673)	(41,470)
Debt issuance fees paid	(810)	—	(810)	(133)
<b>Net cash used in financing activities</b>	<b>(11,266)</b>	<b>(133,805)</b>	<b>(125,798)</b>	<b>(267,865)</b>
Exchange rate effects	16,188	(3,739)	3,639	(32,653)
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>15,154</b>	<b>311,195</b>	<b>(68,758)</b>	<b>458,304</b>
Cash and cash equivalents at beginning of period	363,003	525,266	446,915	378,157
<b>Cash and cash equivalents at end of period</b>	<b>378,157</b>	<b>836,461</b>	<b>378,157</b>	<b>836,461</b>

*Amounts are rounded to the nearest thousand euro; therefore amounts may not equal (sub) totals due to rounding.*

**ASM INTERNATIONAL N.V.**  
**DISCLOSURE ABOUT SEGMENTS AND RELATED INFORMATION (1/2)**

The Company organizes its activities in two operating segments, Front-end and Back-end.

The Front-end segment manufactures and sells equipment used in wafer processing, encompassing the fabrication steps in which silicon wafers are layered with semiconductor devices. The segment is a product driven organizational unit comprised of manufacturing, service, and sales operations in Europe, the United States, Japan, Korea, Singapore and other countries in Asia.

The Back-end segment manufactures and sells equipment and materials used in assembly and packaging, encompassing the processes in which silicon wafers are separated into individual circuits and subsequently assembled, packaged and tested. The segment is organized in ASM Pacific Technology Ltd, in which the Company held a majority interest until March 15, 2013. As per March 15, 2013 the Company held approximately 40.08% share in ASMPT. Per the same date control on ASMPT ceased and the numbers are deconsolidated. The remaining shares are listed on the Stock Exchange of Hong Kong. The segment's main operations are located in Hong Kong, Singapore, the People's Republic of China, Malaysia and Germany. As per December 31, 2017 the interest in ASMPT amounts to 25.18%.

EUR thousand	Three months ended December 31, 2016		
	Front-end ( <i>unaudited</i> )	Back-end ( <i>unaudited</i> )	Total ( <i>unaudited</i> )
Net sales	172,560	—	172,560
Gross profit	77,483	—	77,483
Operating result	29,938	—	29,938
Net interest income	148	—	148
Foreign currency exchange losses	19,173	—	19,173
Result from investments	—	11,393	11,393
Income tax	827	—	827
Net earnings	50,086	11,393	61,479
Net cash from operating activities	18,099	—	18,099
Net cash from investing activities	(7,867)	—	(7,867)
Net cash from financing activities	(11,266)	—	(11,266)
	Three months ended December 31, 2017		
	Front-end ( <i>unaudited</i> )	Back-end ( <i>unaudited</i> )	Total ( <i>unaudited</i> )
Net sales	205,602	—	205,602
Gross profit	80,725	—	80,725
Operating result	34,933	—	34,933
Net interest income	18	—	18
Foreign currency exchange losses	(5,085)	—	(5,085)
Result from investments	—	193,289	193,289
Income tax	1,620	—	1,620
Net earnings	31,486	193,289	224,775
Net cash from operating activities	33,978	—	33,978
Net cash from investing activities	414,761	—	414,761
Net cash from financing activities	(133,805)	—	(133,805)

*Amounts are rounded to the nearest thousand euro; therefore amounts may not equal (sub) totals due to rounding.*

**ASM INTERNATIONAL N.V.**  
**DISCLOSURE ABOUT SEGMENTS AND RELATED INFORMATION (2/2)**

EUR thousand	Full year 2016		Total
	Front-end	Back-end	
Net sales	597,930	—	597,930
Gross profit	264,500	—	264,500
Operating result	82,241	—	82,241
Net interest income	1,999	—	1,999
Foreign currency exchange losses	13,032	—	13,032
Result from investments	—	40,488	40,488
Income tax	(2,289)	—	(2,289)
Net earnings	94,983	40,488	135,471
Net cash from operating activities	91,412	—	91,412
Net cash from investing activities	(60,094)	22,083	(38,011)
Net cash from financing activities	(125,798)	—	(125,798)
Cash and cash equivalents	378,157	—	378,157
Goodwill	11,270	—	11,270
Other intangible assets	100,179	—	100,179
Investments in associates	—	1,218,024	1,218,024
Other identifiable assets	422,919	—	422,919
Total assets	912,525	1,218,024	2,130,549
Headcount <sup>1</sup>	1,670	—	1,670

  

EUR thousand	Full year 2017		Total
	Front-end <i>(unaudited)</i>	Back-end <i>(unaudited)</i>	
Net sales	737,401	—	737,401
Gross profit	305,895	—	305,895
Operating result	113,187	—	113,187
Net interest income	(116)	—	(116)
Foreign currency exchange losses	(30,546)	—	(30,546)
Result from investments	—	374,512	374,512
Income tax	(4,635)	—	(4,635)
Net earnings	77,890	374,512	452,402
Net cash from operating activities	120,103	—	120,103
Net cash from investing activities	602,261	36,458	638,719
Net cash from financing activities	(267,865)	—	(267,865)
Cash and cash equivalents	836,461	—	836,461
Goodwill	11,270	—	11,270
Other intangible assets	113,295	—	113,295
Investments in associates	—	730,552	730,552
Other identifiable assets	485,623	—	485,623
Total assets	1,446,649	730,552	2,177,201
Headcount <sup>1</sup>	1,900	—	1,900

<sup>1)</sup> Headcount includes employees with a fixed contract and excludes temporary workers.

*Amounts are rounded to the nearest thousand euro; therefore amounts may not equal (sub) totals due to rounding.*

**ASM INTERNATIONAL N.V.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**Basis of Presentation**

The financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as adopted by the European Union.

Amounts are rounded to the nearest thousand euro; therefore amounts may not equal (sub) totals due to rounding.

**Principles of Consolidation**

The Consolidated Financial Statements include the accounts of ASMI and its subsidiaries, where ASMI holds a controlling interest. All unrealized intercompany profits, transactions and balances have been eliminated in consolidation. Associates are investments in entities in which ASMI can exert significant influence but which ASMI does not control, generally by ASMI having between 20% and 50% of the voting rights. These entities are accounted for using the equity method.

**Change in accounting policies**

No significant changes in accounting policies incurred during the fourth quarter of 2017.