STUDY TO INVESTIGATE THE NON-RECOGNITION OF THE VALUE OF THE COMBINED BUSINESSES

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Safe Harbor Statement under the U.S. Private Securities Litigation Reform Act of 1995: All matters discussed in this business and strategy update, 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, shareholder and 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 filings from time to time with the U.S. Securities and Exchange Commission, including, but not limited to, the Company’s reports on Form 20-F and Form 6-K. The company assumes no obligation to update or revise any forward-looking statements to reflect future developments or circumstances.
Following the AGM in May 2012, ASMI, assisted by HSBC and Morgan Stanley as its financial advisers, carried out a study to investigate the causes of the non-recognition by the markets of the value of the combined businesses (Front-end and Back-end) and to analyse potential solutions to address the same.

Numerous calls and meetings between ASMI Management, its legal, tax and financial advisers.

Two phases of the study, independently performed by each bank, were defined:

1. causes and circumstances influencing the valuation non-recognition
2. analysis of the various potential courses of action, including those suggested by shareholders
Based on the work undertaken, no single or predominant factor was identified in causing the non-recognition of the value of the combined businesses by the markets.

A number of causes and circumstances were identified as potentially influencing the valuation non-recognition:

- **Holding company discount:**
  - Different exchange dynamics between Asia and Europe
  - Inability to realize full ASM Pacific Technology (ASMPT) value if ASMI decides to take corporate actions (tax leakage, discounts etc.)
  - No direct control by ASMI shareholders over dividends flow from ASMPT
  - Information asymmetry
- **Unrealised Front-end business value:**
  - Turn-around in financial performance of the Front-end business did not translate into a higher value for ASMI
  - Lack of consistent view from research community, resulting in wide range of operational projections for the Front-end business and hence underlying valuation for Front-end business

- **Corporate Governance:**
  - Likelihood of fundamental changes to corporate structure perceived as limited
  - Structural impediments
OUTCOME – PARTIAL PLACEMENT (PART 1)

› The Management Board and Supervisory Board concluded that a partial secondary placement of 8 to 12% of the company's stake in ASMPT was the most suitable step to be taken to address the non-recognition by the markets of the value of the combined businesses of the company.

› The placement was initially sized at 8–12% on the basis of several factors:
  - Liquidity of ASMPT stock and price sensitivity
  - Potential withholding tax implications

› Prior to the execution of the placement, certain major and institutional shareholders of ASMI representing approximately 27% of the total outstanding shares in the company were consulted with regard to this proposed action and expressed their support.
OUTCOME – PARTIAL PLACEMENT (PART 2)

- The actual placement came out at 12% of ASMPT’s share capital, whereby ASMI remains the largest shareholder of ASMPT with a 40% stake.

- ASMI agreed to a lock-up of 180 days.

- The 12% placement provides flexibility for further corporate actions, if deemed appropriate.
OUTCOME – BENEFITS

The partial secondary placement of 12% provides the following benefits to the company and its stakeholders:

- Ensured corporate stability for both businesses:
  - Existing relationship provides scale
  - Uninterrupted execution of strategies
  - Enables shareholders to realize full value over time

- Increased focus on performance of Front-end due to deconsolidation of Back-end business

- Potential value creation through synergies between the Front-end business and the Back-end business over the long term
ALTERNATIVES ANALYZED

› Several alternatives have been analyzed
  - Larger size or full secondary placement, Spin-off, M&A Sale of ASMPT stake, M&A Sale of Front-end, Integration with ASMPT, 100% acquisition of ASMPT by ASMI

› These all presented significant concerns around flow back, pricing, tax issues or other execution risks
USE OF PROCEEDS

› Total proceeds of the placement amount to €422m
  - Placement price of HK$90 per share, a 6.8% discount to the closing price of ASMPT on 13 March 2013

› Proposed distribution of approximately 65% of the cash proceeds
  - Proposed extraordinary distribution of €4.25 per ordinary share to be distributed in July 2013 upon approval at the AGM on 16 May 2013
  - This proposed extraordinary distribution is tax efficient, resulting in no dividend withholding tax liability
  - Total proposed distribution of €4.75 per ordinary share, including the proposed dividend of €0.50 per ordinary share announced in the company’s press release of 5 March 2013

› Remainder of the proceeds of the partial divestment to be used to further strengthen the business of the company