

Almere, The Netherlands

July 25, 2017

ASM INTERNATIONAL N.V. REPORTS SECOND QUARTER 2017 RESULTS

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

FINANCIAL HIGHLIGHTS

ASMI results based on IFRS.

EUR million	Quarter		
	Q2 2016	Q1 2017	Q2 2017
New orders	159.1	204.2	205.9
Net sales	138.7	144.5	202.0
Gross profit margin %	43.8%	43.5%	43.7%
Operating result	16.7	14.8	37.7
Result from investments (excluding amortization intangible assets resulting from the sale of the 12% stake of ASMPT)	16.4	35.4	30.9
Amortization intangible assets resulting from the sale of the 12% stake of ASMPT	(6.7)	(5.8)	(7.3)
Net earnings	35.6	35.9	132.1
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)	42.3	41.6	55.6

- New orders at €206 million were 1% above the Q1 2017 level and 29% above last year's Q2 level.
- Net sales for the second quarter 2017 were €202 million, an increase of 40% compared to the previous quarter. Year-on-year net sales increased with 46%.
- Net earnings of €132 million in the second quarter included a result of €84 million from the 5% sale and dilution of the ASMPT stake.
- Normalized net earnings for the second quarter 2017 increased by €14 million compared to the first quarter 2017. Operating result increased to €38 million. The financing result included €11 million negative effects from currencies compared to €7 million negative effects in the first quarter. The result from investments decreased with €4 million due to the dilution of our stake in ASMPT. Moreover the ASMPT results in the first quarter included a one-off non-cash gain of €10 million related to the revaluation of the convertible bond.

COMMENT

Commenting on the results, Chuck del Prado, President and Chief Executive Officer of ASM International said: "In Q2 we realized sales of €202 million, which was slightly above our guidance and at a historical high quarterly level. The order intake for Q2, at €206 million, came in at the high end of the forecast and was also at the highest level in the company's history. Order intake in ALD was primarily strong from the 3D-NAND and Foundry segments. We also received several Intrepid Epitaxy orders in Q2."

OUTLOOK

Based on our current assessment, we continue to expect a clear year-on-year improvement in the single wafer ALD market in 2017, with demand in the Logic/Foundry segment remaining healthy and a strong increase in the 3D-NAND segment.

For Q3 we expect a sales level of €170-190 million, on a currency comparable level, while for the second half of 2017 as a whole we expect a sales level higher than in the first half of 2017. After the very strong orders in the past two quarters we expect order intake in Q3 at a still healthy level of €150-170 million, on a currency comparable level.

SHARE BUYBACK PROGRAM

On May 25, 2016, the Annual General Meeting of Shareholders authorized ASMI to acquire up to a maximum of 10% of its shares for a period of 18 months. On October 26, 2016, ASMI announced a share buyback program for the repurchase of up to €50 million of the Company's common shares within the 2016-2017 time frame. On March 2, 2017, ASMI announced that its Management Board authorized an increase in this program to €100 million. The 2016-2017 program started on December 13, 2016 and is part of ASMI's commitment to use excess cash for the benefit of its shareholders. On June 30, 2017, 77.7% of the program was completed at an average share price of €49.93.

On April 24, 2017, ASMI announced a partial sale of its ASMPT stake, whereby ASMI indicated to use the proceeds of approximately €245 million for a new share buyback program. The program will start as soon as the current program has been completed. During the Annual General Meeting of Shareholders of May 22, 2017 the Board was again authorized to acquire up to 10% of ASMI shares for a period of 18 months. During the same meeting it was approved to cancel 1.5 million treasury shares. This is expected to become effective as of July 29, 2017. In this respect it is noted that the company held 4.82 million treasury shares as per June 30, 2017, which is more than sufficient to cover the outstanding options and restricted/performance shares.

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.

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 Wednesday, July 26, 2017 at 15:00 Continental European Time (9:00 a.m. - US Eastern Time).

The teleconference dial-in numbers are as follows:

- United States: +1 646 254 3363
- International: +44 (0)20 7136 6283
- The Netherlands: +31 (0)20 716 8296
- Access Code: 1119350

A simultaneous audio webcast and replay will be accessible at www.asm.com.

CONTACT

Investor contact:

Victor Bareño
T: +31 88 100 8500
E: victor.bareno@asm.com

Media contact:

Ian Bickerton
T: +31 625 018 512

ANNEX 1

OPERATING AND FINANCIAL REVIEW SECOND QUARTER 2017

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

EUR million	Q2 2016	Q1 2017	Q2 2017	Change Q1 2017 to Q2 2017	Change Q2 2016 to Q2 2017
	<i>unaudited</i>	<i>unaudited</i>	<i>unaudited</i>		
New orders	159.1	204.2	205.9	1 %	29%
Backlog	175.4	218.3	209.6	(4)%	20%
Book-to-bill	1.1	1.4	1.0		
Net sales	138.7	144.5	202.0	40 %	46%
Gross profit	60.8	62.9	88.2	40 %	45%
Gross profit margin %	43.8%	43.5%	43.7%		
Selling, general and administrative expenses	(21.0)	(23.0)	(25.2)	9 %	20%
Research and development expenses	(22.1)	(24.5)	(25.1)	2 %	14%
Restructuring expenses	(1.0)	(0.5)	(0.2)	n/a	n/a
Operating result	16.7	14.8	37.7	22.9	21.0
Operating margin %	12.0%	10.3%	18.7%		
Financing costs	10.0	(7.3)	(10.6)	(3.3)	(20.6)
Income tax	(0.8)	(1.3)	(2.4)	(1.1)	(1.6)
Result from investments (excluding amortization intangible assets resulting from the sale of the 12% stake of ASMPT)	16.4	35.4	30.9	(4.5)	14.5
Amortization intangible assets resulting from the sale of the 12% stake of ASMPT	(6.7)	(5.8)	(7.3)	(1.5)	(0.6)
Result from 5% sale and dilution of ASMPT stake	—	—	83.8	83.8	83.8
Net earnings	35.6	35.9	132.1	96.3	96.5
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)	42.3	41.6	55.6	14.0	13.4
Net earnings per share, diluted	€ 0.58	€ 0.59	€ 2.20	€ 1.61	€ 1.62
Normalized net earnings per share, diluted	€ 0.68	€ 0.69	€ 0.93	€ 0.24	€ 0.25

Results

The backlog decreased from €218 million at the end of the first quarter 2017 to €210 million as per June 30, 2017. The decrease was impacted unfavorably by €12 million exchange rate movements. The book-to-bill ratio for Q2 was 1.0. In terms of customer segments, new orders in the second quarter were led by foundry, followed by memory and then logic.

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

EUR million	Q2 2016	Q1 2017	Q2 2017	Change Q1 2017 to Q2 2017	Change Q2 2016 to Q2 2017
Backlog at the beginning of the quarter	146.8	156.7	218.3	39 %	49%
New orders for the quarter	159.1	204.2	205.9	1 %	29%
Net sales for the quarter	(138.7)	(144.5)	(202.0)	40 %	46%
FX-effect for the quarter	8.2	1.9	(12.5)		
Backlog at the end of the quarter	175.4	218.3	209.6	(4)%	20%
Book-to-bill ratio (new orders divided by net sales)	1.1	1.4	1.0		

Net sales for the second quarter 2017 increased by 40% compared to the previous quarter and increased by 46% year-on-year. All product lines showed higher sales. Net sales in the second quarter were led by memory followed by foundry. The impact of currency changes was a decrease of 2% quarter to quarter and an increase of 3% year-on-year.

The gross profit margin increased from 43.5% in Q1 to 43.7% in Q2. For Q2 2016 gross profit margin as a percentage of sales was 43.8%. The gross margin is expected to show more fluctuations during 2017 than in 2016, but still within the range of low to mid forties percentage as earlier indicated. This is caused by new product introductions and related initial costs in 2017.

Selling, general and administrative expenses increased by 9% compared to the previous quarter. As a percentage of sales SG&A expenses were 12% (Q1 2017: 16%, Q2 2016: 15%). The impact of currency changes on SG&A expenses was a decrease of 1% quarter to quarter and an increase of 2% year-on-year.

Research and development expenses increased by 2% compared to the previous quarter.

EUR million	Q2 2016	Q1 2017	Q2 2017	Change Q1 2017 to Q2 2017	Change Q2 2016 to Q2 2017
R&D expenditure	(24.5)	(27.6)	(29.1)	5 %	19 %
Capitalized development expenditure	6.6	6.7	8.8	32 %	33 %
Amortization capitalized development expenditure	(4.2)	(3.6)	(3.5)	(4)%	(17)%
Impairment	—	—	(1.4)	n/a	n/a
R&D expenses	(22.1)	(24.5)	(25.1)	2 %	14 %

As a percentage of sales R&D expenses were 12%, compared to 17% for the previous quarter. For the second quarter of 2016 this was 16%. The impact of currency changes on R&D expenses was a decrease of 1% quarter to quarter and an increase of 3% year-on-year.

Financing costs are mainly related to translation results. The Q2 2017 results included a translation loss of €11 million compared to a loss of €7 million included in the Q1 2017 results and a gain of €8 million included in the Q2 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 second quarter amounted to an expense of €2.4 million. Tax in the previous quarter amounted to an expense of €1.3 million.

Result from investments includes our share in net earnings of ASMPT. Our share of ASMPT decreased from 39% to approximately 34% after the sale of a stake of approximately 5% that we announced on April 24, 2017. ASMI's net earnings of €132 million includes a result of €84 million from the 5% sale and dilution of the ASMPT stake. In Q2 ASMPT showed a sales increase of 18% compared

to the previous quarter, from HK\$3,761 million to HK\$4,424 million. Sales were 21% above the level of Q2, 2016, of HK\$3,669 million. ASMPT's net earnings excluding one-offs, on a 100% basis, improved strongly with 38% to €88 million compared to the previous quarter. While the total net result on a 100% base was at the same level as last quarter, the Q1 result included a one-off non-cash gain of €25 million related to the adjustment of the liability component of the convertible bond. Q2 last year, also on a 100% basis, showed net earnings, excluding one-offs, of €51 million.

Amortization intangible assets resulting from the sale of the 12% stake of ASMPT amounted to €7 million in Q2. For the full year 2017, on a currency comparable basis, this amortization is expected to amount to €24 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	Q2 2016 <i>unaudited</i>	Q1 2017 <i>unaudited</i>	Q2 2017 <i>unaudited</i>
Net earnings	35.6	35.9	132.1
Adjustments to cash from operating activities			
Depreciation, amortization and impairments	12.1	11.9	13.6
Income tax	0.8	1.3	2.4
Result from investments	(9.7)	(29.7)	(107.4)
Other adjustments	(8.2)	1.1	(3.4)
Changes in other assets and liabilities			
Accounts receivable	(6.6)	36.0	(53.6)
Inventories	0.9	(33.0)	(18.4)
Accounts payable	(7.1)	12.6	14.0
Other assets and liabilities	(5.5)	(1.6)	6.6
Income tax paid	0.2	(1.0)	(0.1)
Net cash provided by operating activities	12.3	33.4	(14.2)
Capital expenditures	(8.4)	(6.4)	(17.0)
Capitalized development costs	(6.7)	(6.7)	(8.8)
Dividend received from associates	7.2	—	18.1
Disposal of ASMPT stake	—	—	245.6
Other	(2.5)	(0.8)	(0.7)
Net cash used in investing activities	(10.4)	(13.9)	237.2
Share buy back	(24.9)	(30.5)	(40.0)
Shares issued	2.7	6.9	3.3
Dividend paid to shareholders ASMI	(37.2)	—	(41.5)
Debt issuance fees paid	—	(0.1)	—
Net cash used in financing activities	(59.4)	(23.7)	(78.2)
Net cash (used) provided	(57.5)	(4.2)	144.8

Balance sheet

EUR million	December 31, 2016	June 30, 2017 <i>unaudited</i>
Property, plant and equipment	95.0	101.7
Goodwill	11.3	11.3
Capitalized development costs	88.2	90.3
Other intangible assets	12.0	13.0
Investments in associates	1,235.7	1,022.5
Other non-current assets	55.3	53.8
Total non-current assets	1,497.5	1,292.6
Inventories	112.3	150.2
Accounts receivable	137.0	148.2
Other current assets	23.2	27.3
Cash and cash equivalents	378.2	522.8
Total current assets	650.7	848.4
Total assets	2,148.3	2,141.1
Equity	2,015.9	1,975.4
Pension liabilities	1.4	1.2
Deferred tax liabilities	13.1	11.7
Total non-current liabilities	14.5	12.9
Accounts payable	60.9	84.7
Other current liabilities	57.0	68.0
Total current liabilities	117.9	152.7
Total liabilities and equity	2,148.3	2,141.1

Net working capital, consisting of accounts receivable, inventories, other current assets, accounts payable, accrued expenses, advance payments from customers and deferred revenue, increased to €176 million compared to €139 million per March 31, 2017 (€130 million per June 30, 2016). The number of outstanding days of working capital, measured against quarterly sales, decreased to 78 days on June 30, 2017 from 86 days on March 31, 2017 (85 days at June 30, 2016).

Sources of liquidity. As per June 30, 2017, the Company's principal sources of liquidity consisted of €523 million in cash and cash equivalents and €150 million in undrawn bank lines.

OPERATING AND FINANCIAL REVIEW

SIX MONTHS ENDED JUNE 30

The following table shows the operating performance for the six months ended June 30, 2017 as compared to the same period of the previous year:

EUR million	Six months ended June 30,		
	2016	2017	Change
	<i>unaudited</i>	<i>unaudited</i>	
New orders	322.9	410.1	27%
Backlog	175.4	209.6	19%
Book-to-bill	1.1	1.2	
Net sales	281.2	346.5	23%
Gross profit	123.3	151.1	23%
Gross profit margin %	43.8%	43.6%	
Selling, general and administrative expenses	(43.5)	(48.2)	11%
Research and development expenses	(42.9)	(49.6)	16%
Restructuring expenses	(1.5)	(0.7)	n/a
Operating result	35.5	52.6	17.1
Operating margin %	12.6%	15.2%	
Financing costs	(1.2)	(17.9)	(16.7)
Income tax	(2.5)	(3.7)	(1.3)
Result from investments (excluding amortization intangible assets resulting from the sale of the 12% stake of ASMPT)	22.7	66.4	43.7
Amortization intangible assets resulting from the sale of the 12% stake of ASMPT	(13.5)	(13.1)	0.4
Result from sale and dilution of ASMPT stake	—	83.8	83.8
Net earnings	40.9	168.0	127.1
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)	54.4	97.3	42.8
Net earnings per share, diluted	€ 0.66	€ 2.80	€ 2.14
Normalized net earnings per share, diluted	€ 0.88	€ 1.62	€ 0.74

Results

The backlog increased with 34% compared to December 31 last year. The book-to-bill ratio was 1.2.

The following table shows the level of new orders for the six months ended June 30, 2017 and the backlog as per June 30, 2017 compared to the comparable period of 2016:

EUR million	Six months ended June 30,		
	2016	2017	% Change
Backlog at the beginning of the year	127.8	156.7	23%
New orders	322.9	410.1	27%
Net sales	(281.2)	(346.5)	23%
FX-effect	5.9	(10.6)	
Backlog as per reporting date	175.4	209.6	19%
Book-to-bill ratio (new orders divided by net sales)	1.1	1.2	

Net sales for the six months ended June 30, 2017 increased with 23% year-on-year. The impact of currency changes was an increase of 3% year on year.

The gross profit margin remained relatively stable at around the 44% level. The impact of currency changes was an increase of 3% year on year.

Selling, general and administrative expenses increased with 11% compared to the previous year. As a percentage of sales SG&A expenses were 14% compared to 15% for the same period previous year. The impact of currency changes was an increase of 2% year on year.

Research and development expenses

EUR million	Six months ended June 30,		
	2016	2017	% Change
R&D expenditure	(48.3)	(56.7)	17 %
Capitalized development expenditure	13.8	15.5	12 %
Amortization capitalized development expenditure	(8.3)	(7.1)	(14)%
Impairment	—	(1.4)	n/a
R&D expenses	(42.9)	(49.6)	16 %

Research and development expenses increased with 16% compared to the comparable period previous year, driven by additional investments to fulfill customer requirements. As a percentage of sales R&D expenses were 14%, compared to 15% for the previous year. The impact of currency changes was an increase of 3%.

ANNEX 2

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

EUR thousand, except earnings per share	Three months ended June 30,		Six months ended June 30,	
	2016 <i>(unaudited)</i>	2017 <i>(unaudited)</i>	2016 <i>(unaudited)</i>	2017 <i>(unaudited)</i>
Net sales	138,726	202,025	281,161	346,513
Cost of sales	(77,974)	(113,819)	(157,888)	(195,439)
Gross profit	60,751	88,205	123,272	151,074
Operating expenses:				
Selling, general and administrative	(20,980)	(25,194)	(43,477)	(48,203)
Research and development	(22,085)	(25,095)	(42,870)	(49,620)
Restructuring expenses	(999)	(199)	(1,451)	(691)
Total operating expenses	(44,064)	(50,488)	(87,798)	(98,514)
Operating result	16,688	37,717	35,474	52,560
Net interest income (expense)	2,166	36	1,980	31
Foreign currency exchange gains (losses)	7,794	(10,643)	(3,199)	(17,957)
Result from investments	9,727	107,416	9,144	137,070
Earnings before income taxes	36,375	134,526	43,399	171,704
Income tax	(800)	(2,404)	(2,465)	(3,719)
Net earnings	35,575	132,122	40,934	167,985
Net earnings per share:				
Basic net earnings	0.58	2.23	0.67	2.84
Diluted net earnings (1)	0.58	2.20	0.66	2.80
Weighted average number of shares used in computing per share amounts (in thousand):				
Basic	61,156	59,192	61,156	59,192
Diluted (1)	61,761	59,975	61,687	59,937
Outstanding shares:	60,745	58,978	60,745	58,978

(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 June 30, 2017 with 783,420 common shares, and for the six months ended June 30, 2017 with 744,838 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

	December 31, 2016	June 30, 2017 <i>(unaudited)</i>
EUR thousand		
Assets		
Property, plant and equipment	95,004	101,730
Goodwill	11,270	11,270
Other intangible assets	100,179	103,384
Investments in associates	1,235,738	1,022,451
Deferred tax assets	13,919	11,372
Other non-current assets	4,824	4,825
Evaluation tools at customers	36,594	37,587
Total non-current assets	1,497,528	1,292,619
Inventories	112,339	150,160
Accounts receivable	137,020	148,200
Income taxes receivable	370	262
Other current assets	22,849	27,029
Cash and cash equivalents	378,157	522,782
Total current assets	650,735	848,433
Total Assets	2,148,263	2,141,052
Equity and liabilities		
Equity	2,015,856	1,975,427
Pension liabilities	1,418	1,200
Deferred tax liabilities	13,118	11,730
Total non-current liabilities	14,536	12,930
Accounts payable	60,910	84,730
Provision for warranty	5,800	5,838
Income taxes payable	2,467	3,482
Accrued expenses and other payables	48,694	58,645
Total current liabilities	117,871	152,695
Total Liabilities	132,407	165,625
Total Equity and Liabilities	2,148,263	2,141,052

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 June 30,		Six months ended June 30,	
	2016 (<i>unaudited</i>)	2017 (<i>unaudited</i>)	2016 (<i>unaudited</i>)	2017 (<i>unaudited</i>)
Cash flows from operating activities:				
Net earnings	35,575	132,122	40,934	167,985
Adjustments to reconcile net earnings to net cash from operating activities:				
Depreciation, amortization and impairments	12,058	13,640	23,777	25,527
Income tax	800	2,404	2,465	3,719
Result from investments	(9,727)	(107,416)	(9,144)	(137,070)
Other adjustments	(8,192)	(3,385)	4,449	(2,302)
Changes in other assets and liabilities:				
Accounts receivable	(6,600)	(53,614)	(17,638)	(17,600)
Inventories	895	(18,427)	(229)	(51,475)
Accounts payable	(7,138)	13,968	(2,787)	26,528
Other assets and liabilities	(5,548)	6,602	(6,471)	4,984
Income tax paid	155	(99)	(4,053)	(1,087)
Net cash provided by operating activities	12,280	(14,205)	31,303	19,208
Cash flows from investing activities:				
Capital expenditures	(8,435)	(16,968)	(13,817)	(23,344)
Capitalized development costs	(6,661)	(8,817)	(13,799)	(15,536)
Purchase of intangible assets	(2,513)	(657)	(3,734)	(1,503)
Dividend received from associates	7,235	18,117	7,235	18,117
Disposal of ASMPT stake	—	245,565	—	245,565
Net cash provided (used) in investing activities	(10,374)	237,240	(24,115)	223,298
Cash flows from financing activities:				
Purchase of treasury shares	(24,865)	(39,981)	(56,957)	(70,443)
Proceeds from issuance shares and exercise of stock options	2,654	3,255	10,969	10,181
Dividend to shareholders ASMI	(37,187)	(41,470)	(37,187)	(41,470)
Debt issuance fees paid	—	(4)	—	(133)
Net cash used in financing activities	(59,398)	(78,200)	(83,175)	(101,865)
Exchange rate effects	11,269	(988)	(812)	3,984
Net increase (decrease) in cash and cash equivalents	(46,223)	143,847	(76,799)	144,625
Cash and cash equivalents at beginning of period	416,339	378,935	446,915	378,157
Cash and cash equivalents at end of period	370,116	522,782	370,116	522,782

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 June 30, 2017 the interest in ASMPT amounts to 34.29%.

EUR thousand	Three months ended June 30, 2016		
	Front-end (<i>unaudited</i>)	Back-end (<i>unaudited</i>)	Total (<i>unaudited</i>)
Net sales to unaffiliated customers	138,726	—	138,726
Gross profit	60,751	—	60,751
Operating result	16,688	—	16,688
Net interest income	2,166	—	2,166
Foreign currency exchange gains	7,794	—	7,794
Result from investments	—	9,727	9,727
Income tax	(800)	—	(800)
Net earnings	25,848	9,727	35,575
Net cash provided by operating activities	12,280	—	12,280
Net cash used in investing activities	(17,609)	7,235	(10,374)
Net cash used in financing activities	(59,398)	—	(59,398)
	Three months ended June 30, 2017		
	Front-end (<i>unaudited</i>)	Back-end (<i>unaudited</i>)	Total (<i>unaudited</i>)
Net sales to unaffiliated customers	202,025	—	202,025
Gross profit	88,205	—	88,205
Operating result	37,717	—	37,717
Net interest income	36	—	36
Foreign currency exchange losses	(10,643)	—	(10,643)
Result from investments	—	107,416	107,416
Income tax	(2,404)	—	(2,404)
Net earnings	24,706	107,416	132,122
Net cash provided by operating activities	(14,205)	—	(14,205)
Net cash used in investing activities	219,123	18,117	237,240
Net cash used in financing activities	(78,200)	—	(78,200)

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

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DISCLOSURE ABOUT SEGMENTS AND RELATED INFORMATION (2/2)

EUR thousand	Six months ended June 30, 2016		
	Front-end (<i>unaudited</i>)	Back-end (<i>unaudited</i>)	Total (<i>unaudited</i>)
Net sales	281,161	—	281,161
Gross profit	123,272	—	123,272
Operating result	35,474	—	35,474
Net interest income	1,980	—	1,980
Foreign currency exchange losses	(3,199)	—	(3,199)
Result from investments	—	9,144	9,144
Income tax	(2,465)	—	(2,465)
Net earnings	31,790	9,144	40,934
Net cash provided by operating activities	31,303	—	31,303
Net cash provided (used) in investing activities	(31,350)	7,235	(24,115)
Net cash used in financing activities	(83,175)	—	(83,175)
Cash and cash equivalents	370,116	—	370,116
Goodwill	11,270	—	11,270
Other intangible assets	93,307	—	93,307
Investments in associates	—	1,166,865	1,166,865
Other identifiable assets	382,015	—	382,015
Total assets	856,708	1,166,865	2,023,573
Headcount ¹	1,609	—	1,609
	Six months ended June 30, 2017		
EUR thousand	Front-end (<i>unaudited</i>)	Back-end (<i>unaudited</i>)	Total (<i>unaudited</i>)
Net sales	346,513	—	346,513
Gross profit	151,074	—	151,074
Operating result	52,560	—	52,560
Net interest income	31	—	31
Foreign currency exchange gains	(17,957)	—	(17,957)
Result from investments	—	137,070	137,070
Income tax	(3,719)	—	(3,719)
Net earnings	30,915	137,070	167,985
Net cash provided by operating activities	19,208	—	19,208
Net cash provided (used) in investing activities	205,181	18,117	223,298
Net cash used in financing activities	(101,865)	—	(101,865)
Cash and cash equivalents	522,782	—	522,782
Goodwill	11,270	—	11,270
Other intangible assets	103,384	—	103,384
Investments in associates	—	1,022,451	1,022,451
Other identifiable assets	481,165	—	481,165
Total assets	1,118,601	1,022,451	2,141,052
Headcount ¹	1,771	—	1,771

¹⁾ Headcount includes those employees with a fixed contract and is exclusive of 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 second quarter of 2017.