

Almere, The Netherlands

April 20, 2017

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

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

## FINANCIAL HIGHLIGHTS

ASMI results based on IFRS.

EUR million	Quarter		
	Q1 2016	Q4 2016	Q1 2017
New orders	163.8	176.9	204.2
Net sales	142.4	172.6	144.5
Gross profit margin %	43.9%	44.9%	43.5%
Operating result	18.8	29.9	14.8
Result from investments (excluding amortization intangible assets resulting from the sale of the 12% stake of ASMPT)	6.3	18.4	35.4
Amortization intangible assets resulting from the sale of the 12% stake of ASMPT	(6.8)	(7.0)	(5.8)
Net earnings	5.4	61.5	35.9
Normalized net earnings (excluding amortization intangible assets resulting from the sale of the 12% stake of ASMPT)	12.2	68.5	41.6

- New orders at €204 million were 15% above the Q4 2016 level.
- Net sales for the first quarter 2017 were €144 million, a decrease of 16% compared to the previous quarter. Year-on-year net sales increased with 1%.
- Normalized net earnings for the first quarter 2017 were €42 million compared to €69 million in the fourth quarter 2016. Operating result decreased to €15 million. The financing result included €7 million negative effects from currencies compared to €19 million positive effects in the fourth quarter. The result from investments increased with €17 million.

## COMMENT

Commenting on the results, Chuck del Prado, President and Chief Executive Officer of ASM International said: "In Q1 we realized sales of €144 million, which was at the high end of our guidance. The order intake for Q1, at €204 million, came in better than forecasted and was the highest level ever. This was supported by an increasing contribution from the 3D NAND segment. We also saw in Q1 the first high volume manufacturing order intake for our Intrepid tool, an Epitaxy tool addressing the CMOS market."

## OUTLOOK

The single wafer ALD market dropped in 2016, although not as much as we earlier expected. This is caused by a few smaller segments of the ALD market where we have not been engaged, mainly in non-patterning related DRAM. As a result, our single wafer ALD market share decreased. Our ALD revenue in 2016 ended up well in line with the assessment we made in July 2016. 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 Q2 we expect a sales level of €180-200 million, on a currency comparable level. The order intake in Q2 is expected to remain at a high level of €190-210 million, also on a currency comparable level.

## SHARE BUYBACK

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.

On May 25, 2016, the Annual General Meeting of Shareholders authorized ASMI to acquire shares for a period of 18 months. The repurchase program is part of ASMI's commitment to use excess cash for the benefit of its shareholders.

The 2016-2017 share buyback program started on December 13, 2016. On March 31, 2017, 36.5% of the program was completed at an average share price of €46.61.

As per March 31, 2017 ASMI held 4.32 million treasury shares, which is more than sufficient to cover our outstanding options and restricted/performance shares. Hence, as announced on March 2, 2017, ASMI proposes to the Annual General Meeting, to be held on May 22, 2017, to cancel 1.5 million treasury 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](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 Friday, April 21, 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 3427 1904
- The Netherlands: +31 (0)20 716 8257
- Access Code: 8413062

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

## CONTACT

### Investor contact:

Victor Bareño

T: +31 88 100 8500

E: [victor.bareno@asm.com](mailto:victor.bareno@asm.com)

### Media contact:

Ian Bickerton

T: +31 625 018 512

# ANNEX 1

## OPERATING AND FINANCIAL REVIEW FIRST QUARTER 2017

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

EUR million	Q1 2016 <i>unaudited</i>	Q4 2016 <i>unaudited</i>	Q1 2017 <i>unaudited</i>	Change Q4 2016 to Q1 2017	Change Q1 2016 to Q1 2017
New orders	163.8	176.9	204.2	15 %	25%
Backlog	146.8	156.7	218.3	39 %	49%
Book-to-bill	1.2	1.0	1.4		
Net sales	142.4	172.6	144.5	(16)%	1%
Gross profit	62.5	77.5	62.9	(19)%	1%
Gross profit margin %	43.9%	44.9%	43.5%		
Selling, general and administrative expenses	(22.5)	(23.1)	(23.0)	(1)%	2%
Research and development expenses	(20.8)	(24.0)	(24.5)	2 %	18%
Restructuring expenses	(0.5)	(0.4)	(0.5)	n/a	n/a
Operating result	18.8	29.9	14.8	(15.1)	(3.9)
Operating margin %	13.2%	17.3%	10.3%		
Financing costs	(11.2)	19.3	(7.3)	(26.6)	3.9
Income tax	(1.7)	0.8	(1.3)	(2.1)	0.4
Result from investments (excluding amortization intangible assets resulting from the sale of the 12% stake of ASMPT)	6.3	18.4	35.4	17.0	29.1
Amortization intangible assets resulting from the sale of the 12% stake of ASMPT	(6.8)	(7.0)	(5.8)	1.2	1.0
Net earnings	5.4	61.5	35.9	(25.6)	30.4
Normalized net earnings (excluding amortization intangible assets resulting from the sale of the 12% stake of ASMPT)	12.2	68.5	41.6	(26.8)	29.4
Net earnings per share, diluted	€ 0.09	€ 1.01	€ 0.59	€ (0.42)	€ 0.50
Normalized net earnings per share, diluted	€ 0.20	€ 1.13	€ 0.69	€ (0.44)	€ 0.49

## Results

The backlog increased from €157 million at the end of the fourth quarter 2016 to €218 million as per March 31, 2017. The book-to-bill ratio for Q1 was 1.4. In terms of customer segments, new orders in the first quarter were led by memory, followed by foundry and then logic.

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

EUR million	Q1 2016	Q4 2016	Q1 2017	Change Q4 2016 to Q1 2017	Change Q1 2016 to Q1 2017
Backlog at the beginning of the quarter	127.8	154.4	156.7	1 %	23%
New orders for the quarter	163.8	176.9	204.2	15 %	25%
Net sales for the quarter	(142.4)	(172.6)	(144.5)	(16)%	1%
FX-effect for the quarter	(2.4)	(2.0)	1.9		
Backlog at the end of the quarter	<b>146.8</b>	<b>156.7</b>	<b>218.3</b>	<b>39 %</b>	<b>49%</b>
Book-to-bill ratio (new orders divided by net sales)	1.2	1.0	1.4		

**Net sales** for the first quarter 2017 decreased with 16% compared to the previous quarter, mainly as a result of lower ALD sales, and increased by 1% year-on-year. Net sales in the first quarter were led by foundry, followed by memory. The impact of currency changes was no change quarter to quarter and 4% year-on-year.

**The gross profit margin** decreased from 44.9% in Q4 to 43.5% in Q1 mainly due to mix differences. For Q1 2016 gross profit margin as a percentage of sales was 43.9%. The impact of currency changes on gross profit was no change quarter to quarter and 4% year-on-year.

**Selling, general and administrative expenses** decreased with 1% compared to the previous quarter. As a percentage of sales SG&A expenses were 16% (Q4 2016: 13%, Q1 2016: 16%). The impact of currency changes on SG&A expenses was an increase of 1% quarter to quarter and 2% year-on-year.

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

EUR million	Q1 2016	Q4 2016	Q1 2017	Change Q4 2016 to Q1 2017	Change Q1 2016 to Q1 2017
R&D expenditure	(23.8)	(26.5)	(27.6)	4 %	16 %
Capitalized development expenditure	7.1	6.8	6.7	(1)%	(6)%
Amortization capitalized development expenditure	(4.1)	(4.3)	(3.6)	(16)%	(12)%
Impairment capitalized development expenditure	—	—	—	n/a	n/a
R&D expenses	<b>(20.8)</b>	<b>(24.0)</b>	<b>(24.5)</b>	<b>2 %</b>	<b>18 %</b>

As a percentage of sales R&D expenses were 17%, compared to 14% for the previous quarter. For the first quarter of 2016 this was 15%. The impact of currency changes on R&D expenses was no change quarter to quarter and 3% year-on-year.

**Financing costs** are mainly related to translation results. The Q1 2017 results included a translation loss of €7 million compared to a gain of €19 million included in the Q4 2016 results and a loss of €11 million included in the Q1 2016 results. The translation results in Q1 2017 are mainly related to movements in the US dollar and the Japanese Yen.

**Income tax** in the first quarter amounted to an expense of €1.3 million. Tax in the previous quarter amounted to an income of €0.8 million.

**Result from investments** includes our approximate 39% share in net earnings of ASMPT. In Q1 ASMPT showed a sales increase of 7% compared to the previous quarter, from HK\$3,521 million to HK\$3,761 million. Sales were 31% above the level of Q1, 2016, of HK\$2,862 million. ASMPT's net earnings on a 100% basis increased from €47 million in the previous quarter to €89 million in Q1, 2017, and included a one-off non-cash gain of €25 million related to the adjustment of the liability component of the convertible bond. Q1 last year, also on a 100% basis, showed net earnings, excluding one-offs, of €16 million.

Amortization intangible assets resulting from the sale of the 12% stake of ASMPT amounted to €6 million in Q1.

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

*Cash flow.* The following table shows the cash flow statement on a comparable basis (the effects of the purchase price allocation following the sale of the 12% stake of ASMPT, March 2013 have been eliminated).

EUR million	Q1 2016 <i>unaudited</i>	Q4 2016 <i>unaudited</i>	Q1 2017 <i>unaudited</i>
Net earnings	5.4	61.5	35.9
Adjustments to cash from operating activities			
Depreciation, amortization and impairments	11.7	15.1	11.9
Income tax	1.7	(0.8)	1.3
Result from investments	0.6	(11.4)	(29.7)
Other adjustments	0.7	(14.6)	1.1
Changes in other assets and liabilities			
Accounts receivable	(11.0)	(31.5)	36.0
Inventories	(1.1)	3.7	(33.0)
Accounts payable	4.4	4.2	12.6
Other assets and liabilities	(0.9)	(7.8)	(1.6)
Income tax paid	(4.2)	(0.4)	(1.0)
<b>Net cash provided by operating activities</b>	<b>7.1</b>	<b>18.1</b>	<b>33.4</b>
Capital expenditures	(5.4)	0.3	(6.4)
Capitalized development costs	(7.1)	(6.8)	(6.7)
Dividend received from associates	—	—	—
Other	(1.2)	(1.4)	(0.8)
<b>Net cash used in investing activities</b>	<b>(13.7)</b>	<b>(7.9)</b>	<b>(13.9)</b>
Share buy back	(32.1)	(13.2)	(30.5)
Shares issued	8.3	2.7	6.9
Dividend paid to shareholders ASMI	—	—	—
Debt issuance fees paid	—	(0.8)	(0.1)
<b>Net cash used in financing activities</b>	<b>(23.8)</b>	<b>(11.3)</b>	<b>(23.7)</b>
<b>Net cash (used) provided</b>	<b>(30.4)</b>	<b>(1.0)</b>	<b>(4.2)</b>

## Balance sheet

	December 31, 2016	March 31, 2017
EUR million		<i>unaudited</i>
Property, plant and equipment	95.0	96.9
Goodwill	11.3	11.3
Capitalized development costs	88.2	92.5
Other intangible assets	12.0	12.6
Investments in associates	1,235.7	1,247.9
Other non-current assets	55.3	58.9
<b>Total non-current assets</b>	<b>1,497.5</b>	<b>1,520.2</b>
Inventories	112.3	141.2
Accounts receivable	137.0	102.3
Other current assets	23.2	18.7
Cash and cash equivalents	378.2	378.9
<b>Total current assets</b>	<b>650.7</b>	<b>641.1</b>
<b>Total assets</b>	<b>2,148.3</b>	<b>2,161.3</b>
<b>Equity</b>	<b>2,015.9</b>	<b>2,022.8</b>
Pension liabilities	1.4	1.3
Deferred tax liabilities	13.1	12.8
<b>Total non-current liabilities</b>	<b>14.5</b>	<b>14.1</b>
Accounts payable	60.9	75.4
Other current liabilities	57.0	49.0
<b>Total current liabilities</b>	<b>117.9</b>	<b>124.4</b>
<b>Total liabilities and equity</b>	<b>2,148.3</b>	<b>2,161.3</b>

*Net working capital*, consisting of accounts receivable, inventories, other current assets, accounts payable, accrued expenses, advance payments from customers and deferred revenue decreased to €139 million compared to €157 million per December 31, 2016 (€113 million per March 31, 2016). The number of outstanding days of working capital, measured against quarterly sales, increased to 86 days on March 31, 2017 from 82 days on December 31, 2016 (71 days at March 31, 2016).

*Sources of liquidity*. As per March 31, 2017, the Company's principal sources of liquidity consisted of €379 million in cash and cash equivalents and €150 million in undrawn bank lines.

## ANNEX 2

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

EUR thousand, except earnings per share	Three months ended March 31,	
	2016 <i>(unaudited)</i>	2017 <i>(unaudited)</i>
<b>Net sales</b>	<b>142,435</b>	<b>144,489</b>
Cost of sales	(79,914)	(81,620)
<b>Gross profit</b>	<b>62,521</b>	<b>62,869</b>
Operating expenses:		
Selling, general and administrative	(22,497)	(23,010)
Research and development	(20,786)	(24,525)
Restructuring expenses	(452)	(492)
Total operating expenses	(43,735)	(48,026)
Operating result	<b>18,786</b>	<b>14,843</b>
Net interest income (expense)	(186)	(5)
Foreign currency exchange gains (losses)	(10,993)	(7,314)
Result from investments	(582)	29,654
Earnings before income taxes	<b>7,024</b>	<b>37,178</b>
Income tax	(1,665)	(1,315)
Net earnings	<b>5,359</b>	<b>35,863</b>
Net earnings per share:		
Basic net earnings	0.09	0.60
Diluted net earnings (1)	0.09	0.59
Weighted average number of shares used in computing per share amounts (in thousand):		
Basic	61,382	59,661
Diluted (1)	62,133	60,411
Outstanding shares:	61,280	59,475

(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 month ended March 31, 2017 with 749,562 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	March 31, 2017 <i>(unaudited)</i>
EUR thousand		
<b>Assets</b>		
Property, plant and equipment	95,004	96,881
Goodwill	11,270	11,270
Other intangible assets	100,179	105,166
Investments in associates	1,235,738	1,247,916
Deferred tax assets	13,919	12,319
Other non-current assets	4,824	4,892
Evaluation tools at customers	36,594	41,706
<b>Total non-current assets</b>	<b>1,497,528</b>	<b>1,520,150</b>
Inventories	112,339	141,209
Accounts receivable	137,020	102,314
Income taxes receivable	370	1,099
Other current assets	22,849	17,561
Cash and cash equivalents	378,157	378,935
<b>Total current assets</b>	<b>650,735</b>	<b>641,118</b>
<b>Total Assets</b>	<b>2,148,263</b>	<b>2,161,268</b>
<b>Equity and liabilities</b>		
<b>Equity</b>	<b>2,015,856</b>	<b>2,022,758</b>
Pension liabilities	1,418	1,349
Deferred tax liabilities	13,118	12,713
<b>Total non-current liabilities</b>	<b>14,536</b>	<b>14,062</b>
Accounts payable	60,910	75,406
Provision for warranty	5,800	5,710
Income taxes payable	2,467	2,491
Accrued expenses and other payables	48,694	40,841
<b>Total current liabilities</b>	<b>117,871</b>	<b>124,448</b>
<b>Total Liabilities</b>	<b>132,407</b>	<b>138,510</b>
<b>Total Equity and Liabilities</b>	<b>2,148,263</b>	<b>2,161,268</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 March 31,	
	2016 (unaudited)	2017 (unaudited)
<b>Cash flows from operating activities:</b>		
Net earnings	5,359	35,863
Adjustments to reconcile net earnings to net cash from operating activities:		
Depreciation, amortization and impairments	11,718	11,887
Income tax	1,665	1,315
Result from investments	582	(29,654)
Other adjustments	704	1,083
<b>Changes in other assets and liabilities:</b>		
Accounts receivable	(11,038)	36,014
Inventories	(1,123)	(33,048)
Accounts payable	4,351	12,560
Other assets and liabilities	(924)	(1,618)
Income tax paid	(4,208)	(989)
<b>Net cash provided by operating activities</b>	<b>7,086</b>	<b>33,413</b>
<b>Cash flows from investing activities:</b>		
Capital expenditures	(5,381)	(6,377)
Capitalized development costs	(7,138)	(6,718)
Purchase of intangible assets	(1,221)	(847)
Dividend received from associates	—	—
Acquisitions of investments	—	—
<b>Net cash provided (used) in investing activities</b>	<b>(13,740)</b>	<b>(13,942)</b>
<b>Cash flows from financing activities:</b>		
Purchase of treasury shares	(32,092)	(30,462)
Proceeds from issuance shares and exercise of stock options	8,315	6,926
Dividend to shareholders ASMI	—	—
Debt issuance fees paid	—	(130)
<b>Net cash used in financing activities</b>	<b>(23,777)</b>	<b>(23,666)</b>
Exchange rate effects	(145)	4,973
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(30,576)</b>	<b>778</b>
Cash and cash equivalents at beginning of period	446,915	378,157
<b>Cash and cash equivalents at end of period</b>	<b>416,339</b>	<b>378,935</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 were 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 March 31, 2017 the interest in ASMPT amounts to 39.19%.

EUR thousand	Three months ended March 31, 2016		
	Front-end ( <i>unaudited</i> )	Back-end ( <i>unaudited</i> )	Total ( <i>unaudited</i> )
Net sales	142,435	—	142,435
Gross profit	62,521	—	62,521
Operating result	18,786	—	18,786
Net interest expense	(186)	—	(186)
Foreign currency exchange gains	(10,993)	—	(10,993)
Result from investments	—	(582)	(582)
Income tax	(1,665)	—	(1,665)
Net earnings	5,941	(582)	5,359
Net cash provided by operating activities	7,086	—	7,086
Net cash provided (used) in investing activities	(13,740)	—	(13,740)
Net cash used in financing activities	(23,777)	—	(23,777)
Cash and cash equivalents	416,339	—	416,339
Goodwill	11,270	—	11,270
Other intangible assets	84,455	—	84,455
Investments in associates	—	1,133,582	1,133,582
Other identifiable assets	364,311	—	364,311
Total assets	876,375	1,133,582	2,009,957
Headcount <sup>1</sup>	1,595	—	1,595

<sup>1)</sup> 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.**  
**DISCLOSURE ABOUT SEGMENTS AND RELATED INFORMATION (2/2)**

EUR thousand	Three months ended March 31, 2017		
	Front-end ( <i>unaudited</i> )	Back-end ( <i>unaudited</i> )	Total ( <i>unaudited</i> )
Net sales	144,489	—	144,489
Gross profit	62,869	—	62,869
Operating result	14,843	—	14,843
Net interest income	(5)	—	(5)
Foreign currency exchange gains	(7,314)	—	(7,314)
Result from investments	—	29,654	29,654
Income tax	(1,315)	—	(1,315)
Net earnings	6,209	29,654	35,863
Net cash provided by operating activities	33,413	—	33,413
Net cash provided (used) in investing activities	(13,942)	—	(13,942)
Net cash used in financing activities	(23,666)	—	(23,666)
Cash and cash equivalents	378,935	—	378,935
Goodwill	11,270	—	11,270
Other intangible assets	105,166	—	105,166
Investments in associates	—	1,247,916	1,247,916
Other identifiable assets	417,981	—	417,981
Total assets	913,352	1,247,916	2,161,268
Headcount <sup>1</sup>	1,701	—	1,701

<sup>1)</sup> 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 first quarter of 2017.