



STATUTORY INTERIM REPORT

FOR THE SIX MONTHS ENDED JUNE 30, 2015



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PROFILE

ASM is a leading supplier of semiconductor process equipment for wafer processing. We are a truly global company. Based in 14 countries, we benefit from a wider perspective and the advantages of bringing together the best brains in the world to create new breakthroughs.

We pioneered important aspects of many established wafer-processing technologies used in industry, including lithography, deposition, ion implant and single-wafer epitaxy. In recent years, we brought Atomic Layer Deposition ('ALD') and Plasma Enhanced Atomic Layer Deposition ('PEALD') from R&D right through to mainstream production at advanced manufacturers sites.

Our broad portfolio of innovative technologies and products are being used right now by the most advanced semiconductor fabrication plants around the world. Helping them to progress along their technology roadmap. Making integrated circuits or chips smaller, faster and more powerful for everyone.

The ASMI group includes:

- › ASM, a wholly-owned subsidiary specializing in wafer processing technologies and products; and
- › ASM Pacific Technology (ASMPT), in which ASMI holds a significant investment of approximately 40%, a leading supplier of semiconductor process equipment for assembly and packaging, and for surface mount technology.

Our principal executive offices are located at Versterkerstraat 8, 1322 AP, Almere, the Netherlands. Our telephone number at that location is +31 8810 08810.

ASMI trades on the Euronext Amsterdam Stock Exchange (symbol ASM) and in the U.S. on the OTCQX® Best Market. ASMPT trades on the Hong Kong Stock Exchanges under the code 0522.

MISSION AND STRATEGY

MISSION

Our mission is to provide our customers with the most advanced, cost-effective, and reliable products, service and global support network in the semiconductor industry and beyond. We bring forward the adoption of our technology platforms by developing new materials and process applications that support our customers' long-term technology roadmaps. Since atomic layer deposition ('ALD') provides us with a basic platform for a whole new generation of technologies and processes, it acts as a strategic enabler for our business.

VISION

We aim to delight our customers, employees and shareholders by driving innovation with new technologies and delivering excellence with dependable products. By doing this, we will create new possibilities for everyone to understand, create and share more of what they love.

STRATEGY

Our strategic objective is to realize profitable, sustainable growth by capitalizing on our innovative strength, operational excellence and our leadership in ALD and other business segments we are active in. The key elements of our strategy include:

Innovative strength

ASMI has always been recognized for its technology leadership. Today, we provide leading technologies that support our customers in staying on the curve of Moore's Law. Our innovative strength is what differentiates us in the marketplace and continues to be the cornerstone of our strategy. Apart from our internal R&D efforts we are continuously expanding and deepening our strategic cooperation with key customers, suppliers, chemicals manufacturers and research institutes such as IMEC. We also expand our patent portfolio where it is necessary and beneficial.



Leadership in ALD and PEALD

ALD and PEALD technologies have been established as mainstream technologies in high volume manufacturing, supporting virtually all of the leading customers in the semiconductor industry. As a leader in this space, ALD and PEALD have turned into a key growth driver for our business. We expect that the trends of continued scaling and evolution towards 3D device structures will further expand the number of applications for ALD. We aim to maintain our leading position in ALD by leveraging on our strong expertise and established customer relationships, and by developing new applications to support our customers with increasingly complex device node transitions.

Operational excellence

While technology leadership remains crucial, we continue to focus on further improving the effectiveness of our organization and the efficiency of processes. We aim to provide our customers with dependable leading-edge products and services at a consistent quality and the best cost of ownership. To this end, we continue to optimize our manufacturing and global sourcing processes, including the migration to common product platforms.

FOCUS AREAS

Within wafer processing, we focus primarily on equipment and process solutions for the deposition of thin films.

Our core strengths are in atomic layer deposition ('ALD'), plasma enhanced ALD ('PEALD'), epitaxy, plasma enhanced chemical vapor deposition ('PECVD'), low pressure chemical vapor deposition ('LPCVD') and oxidation/diffusion. With this portfolio of technologies, we are addressing many of the key areas on the semiconductor industry roadmap, including:

- > high-k metal gate;
- > new applications for advanced FinFET transistors;
- > dielectrics for spacer-defined double patterning;
- > low-k dielectrics for interconnect; and
- > strained silicon.

Our breakthrough technologies enable the industry to move to smaller line widths and better transistors that use new materials. In addition to addressing the technology needs of our customers, and in order to meet the requirements of the industry to reduce costs, we focus on further increasing equipment throughput and equipment reliability, further lowering the cost per wafer of our wafer processing systems. In addition, in order to enable further efficiencies in our manufacturing process, we spend significant effort on improving the level of standardization in our equipment portfolio by migrating to common platforms, sub-assemblies and components.

MARKETS & PRODUCTS

ASMI is a leading player in the market for semiconductor manufacturing equipment. The semiconductor capital equipment market is composed of three major market segments: wafer processing equipment, assembly and packaging equipment, and test equipment. We operate in the semiconductor wafer processing equipment market.

MARKETS

Our semiconductor wafer processing business supplies equipment to the leading semiconductor manufacturers in the logic, foundry and memory markets, primarily for the deposition of thin films. The logic market is made up of manufacturers who create chips that are used to process data, the foundry market consists of businesses that operate semiconductor fabrication plants to manufacture the designs of other semiconductor companies, and the memory market covers manufacturers who make chips that store information either temporarily or permanently such as Random Access Memory ('RAM'). We also supply equipment to leading manufacturers of analog semiconductor devices that are important for enabling the increasing semiconductor content in most products in use worldwide.



We have a strong position in leading-edge technologies. Our portfolio of atomic layer deposition ('ALD') products is an enabling technology for our customers, helping them to manufacture semiconductor devices at smaller line widths with new materials and 3D architectures. These new semiconductor devices are a major driver behind the introduction of new products such as smartphones and tablets with higher performance and reduced energy consumption.

PRODUCTS

Our wafer processing products come from a number of product platforms, each designed to host and enable specified process technologies. Products in each product platform are linked by common technology elements like a common in-system software framework, common critical components or similar logistics (batch or single wafer processing).

The XP is our standard single wafer processing platform. It is designed to accommodate ALD, PEALD, PECVD and epitaxy process application modules with common platform standards. The XP8 is a high productivity platform for PECVD and PEALD. It is based on our common XP platform standard with an expanded configuration that enables up to eight chambers to be integrated on one wafer-handling platform. The A400 and A412 are our batch vertical furnace products offering oxidation/diffusion, LPCVD and ALD.

FIRST HALF OF FINANCIAL YEAR

The Company's first half of the financial year runs from January 1 to June 30.

HISTORY OF THE COMPANY

ASM International N.V. was incorporated on March 4, 1968 as a Dutch "naamloze vennootschap", or public limited liability company, and was previously known as Advanced Semiconductor Materials International N.V.

HEAD OFFICE

Our principal executive offices are located at Versterkerstraat 8, 1322 AP, Almere, the Netherlands.

Our telephone number at that location is +31 8810 08810, fax is +31 8810 08830, website <http://www.asm.com>.

SUPERVISORY BOARD

J.C. Lobbezoo, Chairman

J.M.R. Danneels

H.W. Kreutzer

M.C.J. van Pernis

U.H.R. Schumacher

MANAGEMENT BOARD

C.D. del Prado, Chairman of the Management Board, President and Chief Executive Officer

P.A.M. van Bommel, Member of the Management Board and Chief Financial Officer



KEY FIGURES

(EUR million, except full-time equivalents and share data)	SIX MONTHS ENDED JUNE 30,	
	2014	2015
Net sales	299.1	362.9
New Orders	291.6	325.0
Backlog	109.1	148.5
Book-to-bill ratio	1.0	0.9
Gross profit	128.8	160.4
Gross profit margin %	43.1%	44.2%
Result from operations	60.5	76.5
Operating result margin %	20.2%	21.1%
Result from investments and associates	21.8	33.1
Amortization of fair value adjustments from PPA	(10.9)	(13.4)
Net earnings from operations	60.3	103.6
Current assets	562.4	650.9
Non-current assets	1,123.5	1,382.6
Total assets	1,685.9	2,033.5
Current liabilities	110.8	150.5
Non-current liabilities	11.9	12.9
Total equity	1,563.2	1,870.1
Net working capital ¹	96.8	148.4
Net debt	(368.3)	(363.0)
Full-time equivalents	1,617	1,654
Per share data		
Basic net earnings per share		
From operations	0.95	1.66
Diluted net earnings per share		
From operations	0.93	1.64
Weighted average number of shares used in computing per share amounts (thousand)		
Basic	63,558	62,339
Diluted	64,707	63,333

¹ See Note 5 from the Consolidated Interim Financial Statements.



INTERIM MANAGEMENT BOARD REPORT

ASMI CONSOLIDATED RESULTS FOR THE SIX MONTHS ENDED JUNE 30, 2015

The following table shows the operating performance for the six months ended June 30, 2015, compared to the same period of previous year:

(EUR million)	SIX MONTHS ENDED JUNE 30,		CHANGE
	2014	2015	
			in %
New orders	291.6	325.0	11%
Backlog	109.1	148.5	36%
Book-to-bill ratio	1.0	0.9	
Net sales	299.1	362.9	21%
Gross profit	128.8	160.4	25%
Gross profit margin %	43.1%	44.2%	
Selling, general and administrative expenses (including amortization other intangible assets)	(39.1)	(46.0)	18%
Research and development expenses	(29.2)	(37.4)	28%
Restructuring expenses	(0.1)	(0.5)	n/a
Result from operations	60.5	76.5	27%
Operating result margin %	20.2%	21.1%	
			in EUR million
Financing costs	0.1	16.5	16.4
Income taxes	(11.2)	(9.1)	2.1
Result from investments and associates	21.8	33.1	11.3
Amortization of fair value adjustments from PPA	(10.9)	(13.4)	(2.5)
Net earnings from operations	60.3	103.6	43.3

The backlog at the end of June increased with 36% to a level of €148.5 million, compared to June 30 last year. The book-to-bill ratio was 0.9.

Backlog includes orders for which purchase orders or letters of intent have been accepted, typically for up to one year. Historically, orders have been subject to cancellation or rescheduling by customers. In addition, orders have been subject to price negotiations and changes in specifications as a result of changes in customers' requirements. Due to possible customer changes in delivery schedules and requirements and to cancellation of orders, our backlog at any particular date is not necessarily indicative of actual sales for any succeeding period.

The following table shows the level of new orders for the six months ended June 30, 2015 and the backlog for the same period of 2014:

(EUR million)	SIX MONTHS ENDED JUNE 30,		
	2014	2015	% CHANGE
BACKLOG AT THE BEGINNING OF THE YEAR	114.8	176.1	53%
New orders	291.6	325.0	11%
Net sales	(299.1)	(362.9)	21%
FX-effect	1.8	10.3	
BACKLOG AS PER REPORTING DATE	109.1	148.5	36%
BOOK-TO-BILL RATIO (NEW ORDERS DIVIDED BY NET SALES)	1.0	0.9	

Net sales for the six months ended June 30, 2015 increased with 21% year-on-year, mainly driven by (PE)ALD sales, which were subsequently higher than in the comparable period last year. The impact of currency changes was an increase of 11% year on year.

The gross profit margin for the six months ended June 30, 2015 increased to 44.2% (2014: 43.1%). This resulted from continued positive mix effects and efficiency improvements. The impact of currency changes was an increase of 11%.

Selling, general and administrative expenses increased with 18% compared to previous year. As a percentage of sales SG&A expenses were 13%, the same level compared to the same period previous year. The impact of currency changes was an increase of 9%.

The following table shows the research and development expenses for the six months ended June 30, 2015 compared to the same period in 2014:

(EUR million)	SIX MONTHS ENDED JUNE 30,		
	2014	2015	% CHANGE
Research and development expenses	22.4	30.8	38%
Amortization of capitalized development expenses	6.0	6.6	10%
Impairment of capitalized development expenses	0.8	-	n/a
TOTAL	29.2	37.4	28%

Research and development expenses for the six months ended June 30, 2015 increased with 38% compared to the comparable period previous year. As a percentage of sales R&D expenses increased to 8%, compared to 7% for the same period previous year. Amortization of capitalized development expenses increased with 10% compared to last year. The impact of currency changes on research and development expenses was a increase of 13%.

Operating result improved from €60.5 million in the first six months of 2014 to €76.5 million for the same period this year. Operating result as a percentage of sales improved from 20.2% to 21.1%.



The following table shows the financing costs for the six months ended June 30, 2015 compared to the same period in 2014:

(EUR million)	SIX MONTHS ENDED JUNE 30,		
	2014	2015	CHANGE
Interest income	0.8	0.4	(0.4)
Interest expenses	(1.2)	(0.7)	0.5
Debt issuance expenses	(1.1)	-	1.1
Foreign currency exchange results	1.7	16.8	15.1
TOTAL	0.1	16.5	16.4

Interest expenses for the six months ended June 30, 2015 are mainly related to the stand-by facility. Foreign currency exchange results reflect the revaluation of cash positions denominated in foreign currencies.

Reporting ASMI share in net earnings of ASMPT in the consolidated statement on income:

(EUR million)	SIX MONTHS ENDED JUNE 30,	
	2014	2015
Result from investments and associates		
ASMI share net earnings	21.8	33.1
Amortization of fair value adjustments from PPA	(10.9)	(13.4)
TOTAL	10.9	19.6

For the six months ended June 30, 2015 the amortization of the recognized intangible assets and the depreciation of the fair value adjustment for property, plant & equipment negatively impacted net earnings with €13.4 million. The annualized amount of this amortization will remain on a level of approximately €27 million until 2017 and then decreases.



CASH FLOW, BALANCE SHEET, LIQUIDITY AND CAPITAL RESOURCES

CASH FLOW

The following table shows the cash flow statements for the six months ended June 30, 2015 compared to the same period of previous year:

(EUR million)	SIX MONTHS ENDED JUNE 30,	
	2014	2015
NET EARNINGS	60.3	103.6
Adjustments required to reconcile net earnings to net cash from operating activities		
Depreciation, amortization and impairments	16.9	19.3
Share-based compensation	3.2	3.1
Income taxes	5.1	(1.8)
Non-cash financing costs	-	(16.4)
Investments and associates	(10.9)	(19.6)
Changes in other assets and liabilities:		
Accounts receivable	9.5	(34.2)
Inventories	1.9	(1.8)
Other current assets	1.0	(10.5)
Accounts payable and accrued expenses	1.2	18.7
NET CASH PROVIDED BY OPERATING ACTIVITIES	88.1	60.4
Capital expenditures	(10.4)	(16.8)
Capitalization of intangible assets	(7.4)	(18.7)
Investments and associates	-	(0.9)
NET CASH USED IN INVESTING ACTIVITIES	(17.8)	(36.4)
Debt issuance fees paid	(1.4)	-
Purchase of treasury shares ASMI	-	(70.7)
Proceeds from issuance of shares and exercise of stock options	2.9	10.6
Dividend paid to common shareholders ASMI	(27.7)	(32.5)
Dividend received from ASMPT	7.5	24.5
NET CASH USED IN FINANCING ACTIVITIES	(18.7)	(68.1)

BALANCE SHEET

Net working capital consisting of accounts receivable, inventories, other current assets, accounts payable, accrued expenses, advance payments from customers and deferred revenue, increased from €112 million on December 31, 2014 to €148 million at June 30, 2015. This increase was mainly caused by our higher accounts receivable position due to the higher activity level. The number of outstanding days of working capital, measured against quarterly sales, decreased from 78 days at December 31, 2014 to 67 days on June 30, 2015.

SOURCES OF LIQUIDITY

On June 30, 2015, the Company's principal sources of liquidity consisted of €363 million in cash and cash equivalents and €150 million in undrawn bank lines.



SHARE BUYBACK PROGRAM 2014-2015

On May 20, 2015, ASMI has completed its €100 million share buyback program 2014-2015.

On October 29, 2014, ASMI announced a share buyback program, to purchase up to an amount of €100 million of its own shares within the 2014-2015 time frame. The repurchase program is part of ASMI's commitment to use excess cash for the benefit of its shareholders.

ASMI intends to use part of the shares for commitments under employee share-based compensation schemes.

The buyback program was executed by intermediaries through on-exchange purchases or through off-exchange trades. ASMI updated the markets on the progress of the buyback program on a weekly basis. The program started on November 24, 2014, and was completed on May 20, 2015. Under the 2014-2015 share buyback program we repurchased 2,594,420 shares at an average price of €38.55.

SUBSEQUENT EVENTS

Subsequent events have been evaluated by the Company until August 31, 2015, the issuance date of this interim report 2015. There are no subsequent events to report.



REPORTING RESPONSIBILITIES AND RISKS

RELATED PARTY TRANSACTIONS

There have been no significant related party transactions or changes in related party transactions described in ASMI's 2014 Statutory Annual Report that could have a material effect on the financial position or performance of the Company in the first six months of the 2015 financial year.

AUDITORS' INVOLVEMENT

The contents of this Statutory Interim Report have not been audited or reviewed by an external auditor.

RISKS AND UNCERTAINTIES

In conducting our business, we face a number of principal risks and uncertainties that each could materially affect our business, revenues, income, assets and liquidity and capital resources. For a detailed description of our assessment of the major risk factors, see "Risk management" of our 2014 Statutory Annual Report. Those risk factors are deemed incorporated and repeated in this report by reference. ASMI believes that these risks similarly apply for the second half of 2015.

We monitor our primary risks on a continuous basis and implement appropriate measures as promptly as practicable to address known and new risks as they emerge and change. Additional risks not known to us or now believed to be not material could later turn out to have material impact on us.

OUTLOOK

For the third quarter of 2015 we expect sales between €155 and €170 million, on a currency comparable level. The third quarter 2015 order intake, on a currency comparable level, is expected to be in the range of €130-150 million. Beyond third quarter 2015 the visibility on timing of next technology node's insertions of new equipment capacity is still limited.

RESPONSIBILITY STATEMENT

The Management Board of the Company hereby declares that, to the best of its knowledge:

- › the consolidated condensed interim financial statements of the first six months ended June 30, 2015 prepared in accordance with IAS 34 give a true and fair view of the assets, liabilities, financial position and results of the Company and the undertakings included in the consolidation taken as a whole; and
- › the Interim report of the Management Board gives a fair review of the information required pursuant to section 5:25d (8)/(9) of the Dutch Financial Markets Supervision Act (Wet op het financieel toezicht).

Almere, August 31, 2015

Management Board ASM International N.V.

C.D. del Prado, Chairman of the Management Board, President and Chief Executive Officer

P.A.M. van Bommel, Member of the Management Board and Chief Financial Officer



CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED JUNE 30, 2015





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CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(EUR thousand)	NOTES	JUNE 30, 2014 (UNAUDITED)	DECEMBER 31, 2014 (AUDITED)	JUNE 30, 2015 (UNAUDITED)
Assets				
Property, plant and equipment, net		61,216	79,236	89,831
Goodwill, net		10,814	11,155	11,725
Other intangible assets, net	4	61,817	65,214	80,516
Investments and Associates	2	967,426	1,092,948	1,175,903
Deferred tax assets		5,677	3,217	4,037
Assets classified as held for sale		758	724	751
Evaluation tools at customers		15,820	17,767	19,833
TOTAL NON-CURRENT ASSETS		1,123,528	1,270,261	1,382,596
Inventories	5	102,797	125,930	135,321
Accounts receivable	5	75,204	81,971	120,532
Income taxes receivable		184	2,868	144
Other current assets	5	15,880	22,363	31,891
Cash and cash equivalents		368,337	385,777	363,013
TOTAL CURRENT ASSETS		562,402	618,909	650,901
TOTAL ASSETS		1,685,930	1,889,170	2,033,497
SHAREHOLDERS' EQUITY				
Pension liabilities		2,195	1,825	1,109
Deferred tax liabilities		9,675	9,952	11,756
TOTAL NON-CURRENT LIABILITIES		11,870	11,777	12,865
Accounts payable	5	47,328	61,053	72,367
Provision for warranty	5	9,002	9,910	10,157
Income taxes payable		13,749	15,952	11,175
Accrued expenses and other	5	40,745	47,572	56,849
TOTAL CURRENT LIABILITIES		110,824	134,487	150,548
TOTAL LIABILITIES		122,694	146,264	163,413
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		1,685,930	1,889,170	2,033,497

See Notes to Consolidated Condensed Interim Financial Statements.



CONSOLIDATED STATEMENTS OF INCOME

(EUR thousand, except share data)	NOTES	SIX MONTHS ENDED JUNE 30,	
		2014 (UNAUDITED)	2015 (UNAUDITED)
Net sales		299,103	362,941
Cost of sales		(170,273)	(202,519)
GROSS PROFIT		128,830	160,422
Operating expenses			
Selling, general and administrative		(38,815)	(45,646)
Research and development, net		(29,171)	(37,445)
Amortization of other intangible assets	4	(272)	(327)
Restructuring expenses		(80)	(471)
TOTAL OPERATING EXPENSES		(68,338)	(83,889)
RESULT FROM OPERATIONS		60,492	76,533
Interest income		781	423
Finance expenses		(2,294)	(715)
Foreign currency exchange results		1,661	16,826
Result from investments and associates	2	10,902	19,622
EARNINGS BEFORE INCOME TAXES		71,542	112,689
Income taxes		(11,239)	(9,052)
NET EARNINGS FROM OPERATIONS		60,303	103,637
Per share data	7		
Net earnings per share			
Basic		0.95	1.66
Diluted		0.93	1.64
Weighted average number of shares (thousand)			
Basic		63,558	62,339
Diluted		64,707	63,333

See Notes to Consolidated Condensed Interim Financial Statements.



CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(EUR thousand)	SIX MONTHS ENDED JUNE 30,	
	2014 (UNAUDITED)	2015 (UNAUDITED)
NET EARNINGS FROM OPERATIONS	60,303	103,637
Other comprehensive income, items that may be subsequently reclassified to profit or loss, net of tax		
Foreign currency translation effect	17,440	110,976
TOTAL COMPREHENSIVE INCOME	77,743	214,613



CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(EUR thousand, except share data)	NUMBER OF COMMON SHARES	COMMON SHARES	CAPITAL IN EXCESS OF PAR VALUE	TREASURY SHARES AT COST	RETAINED EARNINGS	ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)	TOTAL SHAREHOLDERS' EQUITY
BALANCE JANUARY 1, 2014	63,468,390	2,539	253,726	-	1,326,093	(86,717)	1,495,641
Net earnings	-	-	-	-	60,303	-	60,303
Other comprehensive income	-	-	-	-	-	17,440	17,440
TOTAL COMPREHENSIVE INCOME	-	-	-	-	60,303	17,440	77,743
Dividend paid on common shares	-	-	-	-	(27,701)	-	(27,701)
Compensation expense stock options	-	-	3,218	-	-	-	3,218
Exercise of stock options by issue of common shares	208,201	8	2,885	-	-	-	2,893
Withdrawal shares following the settlement of the Lehman treasury shares	(25,643)	-	-	-	-	-	-
Other movements in investments and associates							
Allocation equity component convertible bond	-	-	-	-	9,947	-	9,947
Other comprehensive income	-	-	-	-	1,496	-	1,496
BALANCE JUNE 30, 2014 (UNAUDITED)	63,650,948	2,547	259,829	-	1,370,137	(69,277)	1,563,236
BALANCE JANUARY 1, 2015	62,968,184	2,553	266,103	(27,733)	1,447,328	54,655	1,742,906
Net earnings	-	-	-	-	103,637	-	103,637
Other comprehensive income	-	-	-	-	-	110,976	110,976
TOTAL COMPREHENSIVE INCOME	-	-	-	-	103,637	110,976	214,613
Dividend paid on common shares	-	-	-	-	(32,475)	-	(32,475)
Compensation expense stock options	-	-	3,120	-	-	-	3,120
Exercise of stock options out of treasury shares	586,026	-	(2,344)	23,227	(12,837)	-	8,046
Purchase of common shares	(1,640,454)	-	-	(68,109)	-	-	(68,109)
Other movements in investments and associates							
Other comprehensive income	-	-	-	-	1,983	-	1,983
BALANCE JUNE 30, 2015 (UNAUDITED)	61,913,756	2,553	266,879	(72,615)	1,507,636	165,631	1,870,084



CONSOLIDATED STATEMENT OF CASH FLOWS

(EUR thousand)	SIX MONTHS ENDED JUNE 30,	
	2014 (UNAUDITED)	2015 (UNAUDITED)
Cash flows from operating activities		
NET EARNINGS	60,303	103,637
Adjustments required to reconcile net earnings to net cash from operating activities		
Depreciation, amortization and impairments	16,854	19,304
Share-based compensation	3,218	3,120
Income taxes	5,079	(1,807)
Non-cash financing costs	-	(16,369)
Investments and associates	(10,902)	(19,622)
Changes in other assets and liabilities		
Accounts receivable	9,493	(34,179)
Inventories	1,865	(1,796)
Other current assets	963	(10,552)
Accounts payable and accrued expenses	1,220	18,701
NET CASH PROVIDED BY OPERATING ACTIVITIES	88,093	60,437
Cash flows from investing activities		
Capital expenditures	(10,447)	(16,805)
Capitalization of intangible assets	(7,394)	(18,675)
Investments and associates	-	(900)
NET CASH USED IN INVESTING ACTIVITIES	(17,841)	(36,380)
Cash flows from financing activities		
Debt issuance fees paid	(1,363)	-
Purchase of treasury shares ASMI	-	(70,662)
Proceeds from issuance of shares and exercise of stock options	2,893	10,599
Dividends paid to common shareholders of ASMI	(27,701)	(32,475)
Dividend received from ASMPT	7,451	24,457
NET CASH USED IN FINANCING ACTIVITIES	(18,720)	(68,081)
Foreign currency translation effect on cash and cash equivalents	4,368	21,260
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	55,900	(22,764)
Cash and cash equivalents at beginning of year	312,437	385,777
CASH AND CASH EQUIVALENTS AT BALANCE SHEET DATE	368,337	363,013



NOTES TO CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

NOTE 1. GENERAL INFORMATION / SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

GENERAL INFORMATION

ASM International NV (“ASMI” or “the Company”) is a Dutch public liability company domiciled in the Netherlands with its principal operations in Europe, the United States and Asia. The Company dedicates its resources to the research, development, manufacturing, marketing and servicing of equipment and materials used to produce mainly semiconductor devices.

The Company's shares are listed for trading on the Euronext Amsterdam Stock Exchange (symbol ASM) and in the U.S. on the OTCQX® Best Market. ASMPT trades on the Hong Kong Stock Exchanges under the code 0522.

The accompanying consolidated financial statements include the financial statements of ASM International NV, headquartered in Almere, the Netherlands, and its consolidated subsidiaries (together referred to as “ASMI” or “the Company”).

The Consolidated Condensed Interim Financial Statements for the six months ended June 30, 2015 were authorized for issue by the Management Board on August 31, 2015.

The Consolidated Condensed Interim Financial Statements have not been audited or reviewed by an external auditor.

ACCOUNTING POLICIES

These Consolidated Condensed Interim Financial Statements have been prepared in accordance with IAS 34, Interim Financial Reporting. As permitted by IAS 34, the Consolidated Condensed Interim Financial Statements do not include all of the information required for full annual financial statements and should be read in conjunction with ASMI's 2014 Statutory Annual Report. In addition, the notes to these Consolidated Condensed Interim Financial Statements are presented in a condensed format. The applied accounting principles are in line with those as described in ASMI's 2014 Statutory Annual Report and are based on IFRS as endorsed by the European Union.

No new standards and interpretations became effective as of January 1, 2015 which impact the Consolidated Condensed Interim Financial Statements.

USE OF ESTIMATES AND JUDGMENTS

The preparation of the Company's consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ materially from those estimates. On an ongoing basis, ASMI evaluates its estimates and underlying assumptions. ASMI bases its estimates on historical experience and on various other assumptions that are believed to be reasonable, the results of which form the basis for making judgments about the carrying values of assets and liabilities. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual earnings.

**NOTE 2. INVESTMENTS AND ASSOCIATES**

The changes in the investments and associates are as follows:

(EUR thousand)	INVESTMENTS ²	ASSOCIATES			TOTAL ASSOCIATES	TOTAL
		NET EQUITY SHARE	OTHER (IN)TANGIBLE ASSETS AND FAIR VALUE CHANGES	GOODWILL		
BALANCE JANUARY 1, 2014	278	264,750	161,531	517,394	943,675	943,953
Results from investments and associates	-	21,783	-	-	21,783	21,783
Other comprehensive income of investments and associates	-	1,496	-	-	1,496	1,496
Amortization recognized (in) tangible assets	-	-	(10,881)	-	(10,881)	(10,881)
Dividends	-	(7,451)	-	-	(7,451)	(7,451)
Allocation equity component convertible bond ¹	-	9,947	-	-	9,947	9,947
Foreign currency translation effect	-	1,727	1,592	5,260	8,579	8,579
BALANCE JUNE 30, 2014	278	292,252	152,242	522,654	967,148	967,426
BALANCE JANUARY 1, 2015	-	346,563	158,844	587,541	1,092,948	1,092,948
Results from investments and associates	-	33,061	-	-	33,061	33,061
Other comprehensive income of investments of associates	-	1,983	-	-	1,983	1,983
Amortization recognized (in) tangible assets	-	-	(13,439)	-	(13,439)	(13,439)
Interest increase	900	-	-	-	-	900
Dividends	-	(24,457)	-	-	(24,457)	(24,457)
Foreign currency translation effect	-	20,814	13,712	50,381	84,907	84,907
BALANCE JUNE 30, 2015	900	377,964	159,117	637,922	1,175,003	1,175,903

¹ In 2014 convertible bonds were issued by ASMPT that containing both liability and conversion option components. These components are classified separately into respective items on initial recognition in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. The conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognized and included in equity, net of income tax effects, and is not subsequently remeasured. In addition, the conversion option classified as equity will remain in equity until the conversion option is exercised.

² Investments reflects the net equity value of the interest in Levitech BV resulting from the management buy-out in 2009 of the RTP business. ASM International NV obtained a 20% interest in Levitech BV. This value has been reduced in the second half of 2014 due to (start-up) losses of Levitech caused by the introduction of their advanced products in the market. In June 2015 the investment increased with €900 from 20% to 24%.

On March 13, 2013, the Company announced that it divested a controlling stake in its subsidiary ASM Pacific Technology Ltd. ("ASMPT"). The sale of the shares officially closed on March 15, 2013. The Company sold 47,424,500 ordinary shares of ASMPT at a price of HK\$90 per share to institutional or other professional investors through a partial secondary share placement, representing an 11.88% stake in ASMPT. The placement generated cash proceeds for the Company of HK\$4,191,980 million (approximately €413 million).

The sale of the 11.88% stake caused ASMI to cease control of ASMPT. According to US GAAP the accounting of this sale consists of two separate transactions:

- > A sale of a 51.96% subsidiary; and
- > A purchase of a 40.08% associate.

These transactions resulted in a substantial gain and the deconsolidation of ASMPT. This gain consisted of two elements, the realized gain on the sale of the 11.88% stake amounting to €252 million and an unrealized re-measurement gain on the remaining 40.08% of the retained interest in ASMPT approximating €1,156 million. The "purchase" of the associate resulted in the recognition of the associate at fair value.



After the initial accounting of the sale transaction and related gains, subsequent accounting under IAS 28R, “Investments in Associates and Joint ventures”, requires that future income from ASMPT will need to be adjusted for the fair value adjustments arising the “basis differences” as if a business combination had occurred under IFRS 3R, “Business Combinations”, i.e. a purchase price allocation (“PPA”).

The purchase of the associate has been recognized at fair value, being the value of the ASMPT shares on the day of closing of the purchase transaction. US GAAP requires that the composition of such a fair value needs to be determined through a PPA. This process took place in the remaining period of 2013. The PPA resulted in the recognition of intangible assets for customer relationship, technology, trade name and product names. For inventories and property, plant & equipment a fair value adjustment was recognized.

The ASMPT investment is accounted for under the equity method on a go forward basis. Equity method investments are tested for prolonged impairment. An investment is considered impaired if the fair value of the investment is less than its amortized cost. The determination of whether an investment is impaired is made at the individual security level in each reporting period.

If the fair value of an investment is less than its cost or amortized cost at the balance sheet date, the Company determines whether the impairment is temporary or other prolonged. During the period after March 15, 2013 the ASMPT share traded for a longer period below the price at the close of sale. Based on this other than temporary share price decrease, the book value of our equity method investment in ASMPT was adjusted reflecting the share price on December 31, 2013 of HK\$64.90 resulting in an impairment charge of €336 million.

In December 2014, 1,885,000 common shares of ASMPT were issued, for cash at par value of HK\$0.10 per share, pursuant to the Employee Share Incentive Scheme of ASMPT. The shares issued under the plan in 2014 have diluted ASMI's ownership in ASMPT to 39.75% as of December 31, 2014.

At June 30, 2015, the book value of our equity method investment after the aforementioned impairment in ASMPT was €1,175 million. The historical cost basis of our 39.75% share of net assets on the books of ASMPT under IFRS was €378 million as of June 30, 2015, resulting in a basis difference of €797 million. €159 million of this basis difference has been allocated to property, plant and equipment and intangibles assets. The remaining amount was allocated to equity method goodwill. Each individual, identifiable asset will periodically be reviewed for any indicators of potential impairment which, if required, would result in acceleration of basis difference amortization. We amortize the basis differences allocated to the assets on a straight-line basis, and include the impact within the results of our equity method investments. Amortization and depreciation are adjusted for related deferred tax impacts. Included in net income attributable to ASMI for the six months period ending June 30, 2015 was after-tax expense of €13 million, representing the depreciation and amortization of the basis differences.

The market value of our 39.75% investment ASMPT at June 30, 2015 approximates €1,417 million.



Summarized 100% earnings information for ASMPT equity method investment excluding basis adjustments (foreign currency exchange rate per June 30, 2015: 1 HK\$: €0.115 and per June 30, 2014: 1HK\$: €0.094).

(HK\$ million)	SIX MONTHS ENDED JUNE 30,	
	2014	2015
Net sales	5,931.1	6,817.8
Earnings before income tax	706.4	947.4
Net earnings	573.8	722.9

Summarized 100% balance sheet information for ASMPT equity method investment excluding basis adjustments:

(HK\$ million)	JUNE 30, 2014	DECEMBER 31, 2014	JUNE 30, 2015
Current assets	11,263	10,840	10,766
Non-current assets	2,460	3,654	3,622
Current liabilities	3,588	3,759	3,540
Non-current liabilities	2,400	2,532	2,592
Equity	7,735	8,203	8,255

NOTE 3. SEGMENTATION

The Company organizes its activities in two operating segments, Front-end and Back-end. Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Executive Officer (“CEO”), which is the chief operating decision maker.

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, South Korea and Southeast 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 holds a substantial share of 39.75% interest, whilst the remaining shares are listed on the Stock Exchange of Hong Kong. The segment’s main operations are located in Hong Kong, the People’s Republic of China, Singapore, Malaysia and Germany.

The Back-end segment remains reported as a separate segment since the cease of control per March 15, 2013. Since that date the segment is reported as an equity method investment as the CEO reviews this information as part of his CODM package.

Accordingly, the asset and profit/loss information regarding the operations that comprise the segment are disclosed. The full financial results are reviewed by the CODM, the external reporting of the segment are on an equity method investment basis. The total of all segments’ financial amounts are reconciled to the corresponding amounts reported in the consolidated financial statements, eliminations are reflected in the reconciling column for amounts reported in excess of those amounts reflected in the consolidated financial statements.

Segment performance is evaluated by the Company’s management based on US GAAP net earnings or loss which in certain respect is measured differently from net income or loss reported by the Company in its consolidated financial statements, which are based on IFRS, as adopted by the EU.



SIX MONTHS ENDED JUNE 30, 2014

(EUR thousand, except full time equivalents)	FRONT-END	BACK-END 100%	DECONSOLIDATED AND DISCONTINUED	RECONCILIATION FROM US GAAP TO IFRS	TOTAL
Net sales	299,103	557,462	(557,462)	-	299,103
Gross profit	128,656	188,373	(188,373)	174	128,830
Result from operations	59,909	70,456	(70,456)	583	60,492
Interest income (expenses)	(387)	(4,061)	4,061	(1,126)	(1,513)
Foreign currency exchange results	1,661	-	-	-	1,661
Result from investments and associates	-	-	10,649	253	10,902
Income taxes	(10,096)	(12,713)	12,713	(1,143)	(11,239)
Net earnings (loss)	51,087	53,682	(43,033)	(1,433)	60,303
Capital expenditures and capitalization of intangible assets	10,628	14,387	(14,387)	7,213	17,841
Depreciation, amortization and impairments	10,052	17,896	(17,896)	6,803	16,854
Cash and cash equivalents	368,337	297,736	(297,736)	-	368,337
Capitalized goodwill	11,762	-	-	(948)	10,814
Other intangible assets	4,805	1,311	(1,311)	57,012	61,817
Investments and associates	278	-	966,895	253	967,426
Other identifiable assets	277,106	997,474	(997,474)	430	277,536
Total assets	662,288	1,296,521	(329,626)	56,747	1,685,930
Total debt	-	215,147	(215,147)	-	-
Headcount in full-time equivalents ¹	1,617	15,100	(15,100)	-	1,617

SIX MONTHS ENDED JUNE 30, 2015

(EUR thousand, except full time equivalents)	FRONT-END	BACK-END 100%	DECONSOLIDATED AND DISCONTINUED	RECONCILIATION FROM US GAAP TO IFRS	TOTAL
Net sales	362,941	781,936	(781,936)	-	362,941
Gross profit	160,832	290,567	(290,567)	(410)	160,422
Result from operations	70,617	117,482	(117,482)	5,916	76,533
Interest income (expenses)	(447)	(8,826)	8,826	155	(292)
Foreign currency exchange results	16,826	-	-	-	16,826
Result from investments and associates	-	-	20,679	(1,057)	19,622
Income taxes	(7,825)	(25,752)	25,752	(1,227)	(9,052)
Net earnings (loss)	79,171	82,904	(62,225)	3,787	103,637
Capital expenditures and capitalization of intangible assets	22,505	21,367	(21,367)	12,974	35,479
Depreciation, amortization and impairments	12,656	24,337	(24,337)	6,648	19,304
Cash and cash equivalents	363,013	192,464	(192,464)	-	363,013
Capitalized goodwill	12,674	46,742	(46,742)	(949)	11,725
Other intangible assets	9,020	70,146	(70,146)	71,496	80,516
Investments and associates	900	-	1,175,279	(276)	1,175,903
Other identifiable assets	401,277	1,349,376	(1,349,376)	1,063	402,340
Total assets	786,885	1,658,728	(483,449)	71,333	2,033,497
Total debt	-	269,039	(269,039)	-	-
Headcount in full-time equivalents ¹	1,654	15,225	(15,225)	-	1,654

¹ Headcount includes those employees with a fixed contract, and is exclusive of temporary workers.

There are no inter-segment transactions, other than charges for management services, which are based on actual cost. The accounting policies used to measure the net earnings and total assets in each segment are identical to those used in the Consolidated Financial Statements. The measurement methods used to determine reported segment earnings are consistently applied for all periods presented. There were no asymmetrical allocations to segments.

Geographical information is summarized as follows:

(EUR thousand)	EUROPE	UNITED STATES OF AMERICA	JAPAN	SOUTH KOREA	TAIWAN	OTHER ASIA	CORPORATE	CONSOLIDATED
SIX MONTHS ENDED JUNE 30, 2015								
Net sales	55,973	56,368	103,203	79,142	42,263	25,992	-	362,941
Long-lived assets	7,967	38,541	18,632	13,373	120	11,178	20	89,831
SIX MONTHS ENDED JUNE 30, 2014								
Net sales	43,895	71,068	25,696	68,914	68,978	20,552	-	299,103
Long-lived assets	6,204	24,100	15,528	4,840	42	10,123	379	61,216

Long-lived assets for the period ended June 30, 2014 and 2015 consist of the Company's property, plant and equipment.

For geographical reporting, net sales are attributed to the geographic location in which the customer's facilities are located.

NOTE 4. OTHER INTANGIBLE ASSETS

Other intangible assets mainly include capitalized development expenses, software developed or purchased for internal use and purchased technology from third parties. The changes in the amount of other intangible assets are as follows:

(EUR thousand)	CAPITALIZED DEVELOPMENT EXPENSES	SOFTWARE	PURCHASED TECHNOLOGY AND OTHER INTANGIBLE ASSETS	TOTAL
BOOK VALUE, NET AS PER JANUARY 1, 2014	55,592	3,995	1,642	61,229
Capitalized development expenses	7,212	-	-	7,212
Additions	-	181	-	181
Amortization for the period January 1 - June 30	(5,975)	(2,141)	(272)	(8,388)
Reclassification	-	-	1,396	1,396
Impairments	(828)	-	-	(828)
Foreign currency, translation effect	1,011	9	(5)	1,015
BOOK VALUE, NET AS PER JUNE 30, 2014	57,012	2,044	2,761	61,817
BOOK VALUE, NET AS PER JANUARY 1, 2015	61,254	1,819	2,141	65,214
Capitalized development expenses	12,974	-	-	12,974
Additions	-	2,490	3,300	5,790
Amortization for the period January 1 - June 30	(6,648)	(225)	(890)	(7,763)
Reclassification	-	365	-	365
Impairments	-	(89)	-	(89)
Foreign currency, translation effect	3,916	24	85	4,025
BOOK VALUE, NET AS PER JUNE 30, 2015	71,496	4,384	4,636	80,516



Other intangible assets are reviewed by the Company for impairment whenever events or changes in circumstances indicate that the carrying amount (value in use) of an asset may not be recoverable. The Company recorded impairment charges with respect to selected development projects for which the Company estimated no future economic benefits.

Other intangible assets are amortized over their useful lives of 3 to 7 years.

NOTE 5. WORKING CAPITAL

Net working capital is composed as follows:

(EUR thousand)	JUNE 30, 2014	DECEMBER 31, 2014	JUNE 30, 2015
Accounts receivable	75,204	81,971	120,532
Inventories	102,797	125,930	135,321
Other current assets	15,880	22,363	31,891
Accounts payable	(47,328)	(61,053)	(72,367)
Provision for warranty	(9,002)	(9,910)	(10,157)
Accrued expenses and other	(40,745)	(47,572)	(56,849)
NET WORKING CAPITAL	96,806	111,729	148,371

NOTE 6. LITIGATION AND ENVIRONMENTAL MATTERS

The Company is a party to various legal proceedings incidental to its business and is subject to a variety of environmental and pollution control laws and regulations. As is the case with other companies in similar industries, the Company faces exposure from actual or potential claims and legal proceedings. Although the ultimate disposition of legal proceedings cannot be predicted with certainty, it is the opinion of the Company's management that the outcome of any claim which is pending or threatened, either individually or on a combined basis, will not have a material effect on the financial position of the Company, its cash flows and result of operations.

**NOTE 7. EARNINGS PER SHARE**

Basic net earnings per common share is calculated by dividing net earnings attributable to common shareholders by the weighted average number of common shares outstanding for that period. The dilutive effect is calculated using the treasury stock method. The calculation of diluted net earnings per share assumes the exercise of options issued under our stock option plans (and the issuance of shares under our share plans) for periods in which exercised (or issuances) would have a dilutive effect. The calculation of diluted net earnings per share does not assume exercise of options (or issuance of shares) when such exercises (or issuances) would be anti-dilutive.

The calculation of basic and diluted net earnings per share attributable to common shareholders is based on the following data:

(EUR thousand)	SIX MONTHS ENDED JUNE 30,	
	2014	2015
Net earnings used for purpose of calculating net earnings per common share		
FROM OPERATIONS	60,303	103,637
(thousand)		
Basic weighted average number of shares outstanding during the year (after deduction of treasury shares)	63,558	62,339
Dilutive effect of stock options and restricted shares	1,149	994
DILUTIVE WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING	64,707	63,333
(EUR)		
Net earnings per share		
Basic net earnings from operations	0.95	1.66
Diluted net earnings from operations	0.93	1.64

NOTE 8. RELATED PARTY TRANSACTIONS

There have been no significant related party transactions or changes in related party transactions described in ASMI's 2014 Statutory Annual Report that could have a material effect on the financial position or performance of the Company in the first six months of the 2015 financial year.



SAFE HARBOR STATEMENT

Safe Harbor Statement under the U.S. Private Securities Litigation Reform Act of 1995: All matters discussed in this statement, 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 nor intends to update or revise any forward-looking statements to reflect future developments or circumstances.

This Statutory Interim Report comprises regulated information within the meaning of articles 1:1 and 5:25d of the Dutch Financial Markets Supervision Act (Wet op het Financieel Toezicht).

This report as well as other publications such as press releases, presentations, speeches and other items relating to this report can also be accessed via the corporate website (<http://www.asm.com>).

ASM International

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