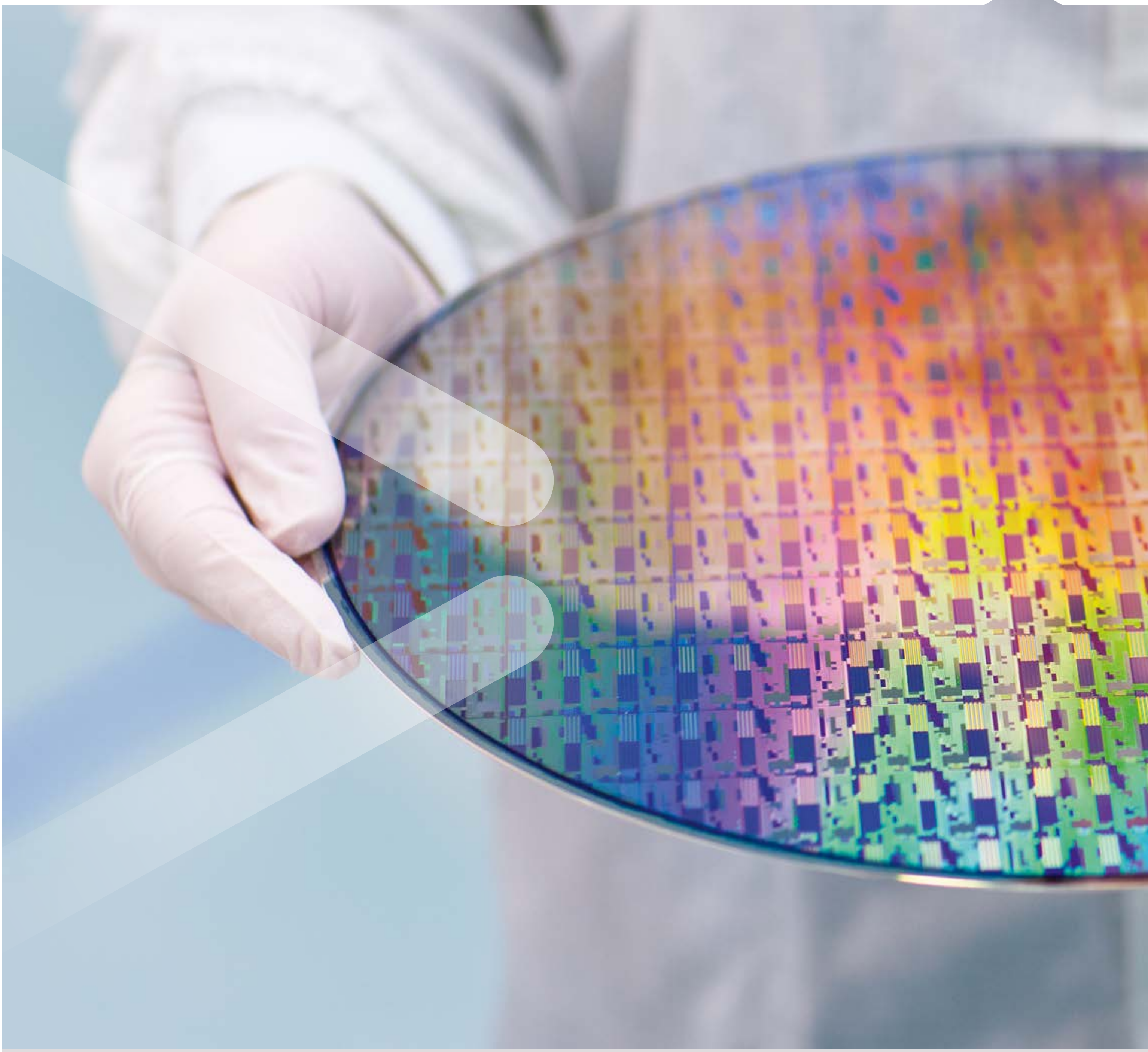

STATUTORY INTERIM REPORT

FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2014

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PROFILE

ASM is a leading supplier of semiconductor process equipment for wafer processing. We're 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;
- ASM Pacific Technology (ASMPT), in which ASMI holds a significant investment of approximately 40%, is a leading supplier of semiconductor process equipment for assembly and packaging, and for surface mount technology. ASMPT was fully consolidated until March 15, 2013.

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 NASDAQ stock market under the symbol “ASMI”, and on Euronext Amsterdam under the symbol “ASM”.
ASMPT trades on the Hong Kong Stock Exchanges under the code 0522.

MISSION AND STRATEGY

MISSION
ASMI's 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 progressively align us with our customers' long-term technology roadmaps.

STRATEGY
- Our strategic objective is to realize profitable, sustainable growth by capitalizing on our technological innovations, manufacturing infrastructure and sales and support offices located close to our global customers. The key elements of our strategy include: Further streamlining our wafer processing (Front-end) manufacturing by systematically reducing manufacturing costs through global sourcing and consolidating our product platforms;
- Maintaining our global reach through our global operating, sales and customer service organization and its facilities in key parts of the world, in order to establish and maintain long-term customer relationships;
- Leveraging our combined strong wafer processing (Front-end) and assembly & packaging (Back-end) technology leadership and manufacturing capabilities through advancements in our products and processes early in the technology lifecycle;
- Expanding the scope and depth of our research and development capabilities through strategic alliances with independent research institutes, universities, customers and suppliers, and expanding our patent portfolio where it is necessary and beneficial.

FOCUS AREAS

ASMI focuses on three parts of the semiconductor industry manufacturing process: wafer processing, assembly & packaging and surface mount technology.

WAFER PROCESSING

Within wafer processing, we focus on three distinct processes: wafer manufacturing, transistor formation and interconnect.

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 established and newer technologies, we're addressing the key areas on the semiconductor industry roadmap:

- High-k metal gate;
- Dielectrics for double patterning;
- Low-k dielectrics for interconnect; and
- Strained silicon.

Enabling the industry to move to smaller line-widths and better transistors that use new materials. Our discoveries are resulting in greater efficiencies for businesses and greater opportunities for everyone.

ASSEMBLY AND PACKAGING

As of June 30, 2014 ASMI owned 39.94% of ASMPT. ASMPT is the world's largest assembly and packaging equipment supplier for the semiconductor and LED industries and is a leading supplier of stamped and etched lead frames.

With headquarters in Hong Kong, and operations in the People's Republic of China, Singapore and Malaysia, ASMPT offers the most comprehensive leading edge portfolio for all of the major process steps in assembly and packaging, from die attach through to encapsulation.

SURFACE MOUNT TECHNOLOGY

In early 2011, ASMPT entered the Surface Mount Technology (SMT) market through the acquisition of the Siemens Electronics Assembly Systems business from Siemens AG. With its headquarters in Munich, Germany, ASM Assembly Systems (ASMAS) offers SMT placement tools for the global electronics manufacturing industries.

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

	SIX MONTHS ENDED JUNE 30,	
(EUR million except full-time equivalent)	2013	2014
Net sales	208.6	**299.1**
New Orders	234.3	**291.6**
Backlog	117.0	**109.1**
Book-to-bill ratio	1.1	**1.0**
Gross profit	81.1	**128.8**
Gross profit margin %	38.9%	**43.1%**
Result from operations	19.0	**60.5**
Operating result margin %	9.1%	**20.2%**
Result from investments and associates	11.6	**21.8**
Amortization and fair value changes resulting from the PPA	(34.0)	**(10.9)**
Net earnings (loss) from continuing operations	(9.5)	**60.3**
Net earnings from discontinued operations	1,407.6	**-**
Net earnings from operations	1,398.1	**60.3**
Current assets	759.1	**562.4**
Non-current assets	1,549.1	**1,123.5**
Total assets	2,308.2	**1,685.9**
Current liabilities	92.0	**110.8**
Non-current liabilities	13.1	**11.9**
Total equity	2,203.1	**1,563.2**
Net working capital [1]	136.9	**96.8**
Net debt	(535.4)	**(312.4)**
Full-time equivalents Front-end segment	1,570	**1,617**
Per share data:		
(EUR)		
Basic net earnings (loss) per share:		
-from continuing operations	(0.15)	**0.95**
-from discontinued operations	22.28	**-**
-from operations	22.13	**0.95**
Diluted net earnings (loss) per share:		
-from continuing operations	(0.15)	**0.93**
-from discontinued operations	22.05	**-**
-from operations	21.90	**0.93**
Weighted average number of shares used in computing per share amounts (thousand)		
Basic	63,163	**63,558**
Diluted	63,839	**64,707**

[1] See Note 6 from the Consolidated Interim Financial Statements.

INTERIM MANAGEMENT BOARD REPORT

ASMI CONSOLIDATED RESULTS FOR THE SIX MONTHS ENDED JUNE 30, 2014

The figures for continuing operations show ASMI financial information whereby ASMPT is deconsolidated as from March 15, 2013. The net earnings of ASMPT before the cease of control and the results subsequent to the sale of the controlling stake are reported as net earnings from discontinued operations. Result on investments reflects ASMI's share in the net earnings of ASMPT as from March 15, 2013 onwards, including the amortization of the intangible assets and fair value changes recognized in the purchase price allocation ("PPA"), for the basis differences between fair value and equity value of ASMPT.

The following table shows the operating performance for the six months ended June 30, 2014, compared to the same period of the previous year:

	SIX MONTHS ENDED JUNE 30,		
(EUR million)	2013	2014	CHANGE
			in %
New orders	234.3	**291.6**	**24%**
Backlog	117.0	**109.1**	**(7)%**
Book-to-bill	1.1	**1.0**	
Net sales	208.6	**299.1**	**43%**
Gross profit	81.1	**128.8**	**59%**
Gross profit margin %	38.9%	**43.1%**	
Selling, general and administrative expenses (including amortization other intangible assets)	(34.0)	**(39.1)**	**15%**
Research and development expenses	(27.1)	**(29.2)**	**8%**
Restructuring expenses	(1.0)	**(0.1)**	**n/a**
Result from operations	19.0	**60.5**	**218%**
Operating result margin %	9.1%	**20.2%**	
			in EUR million
Financing costs	(2.0)	**0.1**	**2.1**
Income tax	(4.2)	**(11.2)**	**(7.0)**
Result from investments and associates	11.6	**21.8**	**10.2**
Amortization of fair value adjustments related to PPA	(34.0)	**(10.9)**	**23.1**
Net earnings from continued operations	(9.5)	**60.3**	**69.8**
Net earning from discontinued operations	1,407.6	**-**	**(1,407.6)**
Net earnings from operations	1,398.1	**60.3**	**(1,337.8)**

The backlog at the end of June decreased by 7% to a level of €109 million, compared to June 30 last year. The book-to-bill was 1.0.

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, 2014 and the backlog for the same period of 2013:

	SIX MONTHS ENDED JUNE 30,		
(EUR million)	2013	2014	% CHANGE
Backlog at the beginning of the year	91.7	114.8	25%
-New orders	234.3	291.6	24%
-Net sales	(208.6)	(299.1)	43%
-FX-effect	(0.4)	1.8	
BACKLOG AS PER REPORTING DATE	117.0	109.1	(7)%
BOOK-TO-BILL RATIO (NEW ORDERS DIVIDED BY NET SALES)	1.1	1.0	

Net sales for the six months ended June 30, 2014 increased with 43% year-on-year, mainly driven by ALD and PEALD sales, which were subsequently higher than in the comparable period last year. The impact of currency changes was a decrease of 4%.

The gross profit margin for the six months ended June 30, 2014 increased to 43.1% (2013: 38.9%). This resulted from continued positive mix effects and a high utilization in combination with effects of changes in our manufacturing operations and supply chain. The impact of currency changes was a decrease of 5%.

Selling, general and administrative expenses increased with 15% compared to the comparable period previous year. As a percentage of sales SG&A expenses were 13% compared to 16% for the same period previous year. The impact of currency changes was a decrease of 3%.

The following table shows research and development expenses for the six months ended June 30, 2014 compared to the same period in 2013:

	SIX MONTHS ENDED JUNE 30,		
(EUR million)	2013	2014	% CHANGE
Research and development expenses	19.5	22.4	15%
Amortization of capitalized development expenses	4.6	6.0	30%
Impairment of capitalized development expenses	3.0	0.8	n/a
TOTAL	27.1	29.2	8%

Research and development expenses for the six months ended June 30, 2014 increased with 15% compared to the comparable period previous year. As a percentage of sales R&D expenses decreased to 7%, compared to 9% for the same period previous year. Amortization on capitalized development expenses increased with 30% compared to last year. Impairment charges on capitalized development expenses are included in operating expenses under research an development. The impact of currency changes on research and development expenses was a decrease of 5%.

Operating result improved from €19.0 million in the first six months of 2013 to €60.5 million for the same period this year. Operating result as a percentage of sales improved from 9.1% to 20.2%. Operating result was affected by currency changes with a decrease of 7% year-over-year.

The following table shows financing costs for the six months ended June 30, 2014 compared to the same period in 2013:

	SIX MONTHS ENDED JUNE 30,		
(EUR million)	2013	2014	CHANGE
Interest income	0.3	0.8	0.5
Interest expenses	(0.8)	(1.2)	(0.4)
Debt issuance expenses	-	(1.1)	(1.1)
Foreign currency exchange results	(1.5)	1.7	3.2
TOTAL	(2.0)	0.1	2.1

Interest expenses and debt issuance fees for the six months ended June 30, 2014 are mainly related to the stand-by facility. Foreign currency exchange results reflect the revaluation of cash positions denominated in foreign currencies.

The sale of the 11.88% stake on March 15, 2013 caused ASMI's cease of control on ASMPT and required deconsolidation of ASMPT. According to general accepted accounting principles (both US GAAP and IFRS) the accounting of this sale consists of two separate transactions.

› A sale of a 51.96% subsidiary;
› A purchase of a 40.08% associate.

The sale transaction resulted in a substantial gain. This gain consisted of two elements, the realized gain on the sale of the 11.88% stake of €252 million and initially an unrealized remeasurement gain on the remaining 40.08% of the shares of approximately €1,156 million. 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. Both US GAAP and IFRS require that the composition of such a fair value needs to be determined through a purchase price allocation process ("PPA"). This process took place in the second quarter of 2013 and was finalized in the fourth quarter 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.

During the period after March 15, 2013 the ASMPT share traded for a longer period below the price at the close of sale. Considering the extent to which in the last quarter of 2013 the market price of the ASMPT shares was below cost, management did a further investigation to evaluate whether this results in an impairment other than temporary. In its assessment management evaluated other factors based on its knowledge of the business and of ASMPT specifically. Management did not identify persuasive factors that the diminution of the value would be other-than-temporary and accordingly recorded an impairment charge, in which the value was adjusted to the share price on December 31, 2013 of HK$64.90. The impairment charge amounts to €336 million.

For the six months ended June 30, 2014 the amortization of the recognized intangible assets and the depreciation of the fair value adjustment for property, plant & equipment negatively impacted net earnings with €10.9 million. The annualized amount of this amortization will remain on a level of approximately €22 million until 2017 and then decreases.

For the six months ended June 30, 2013 the amortization of the recognized intangible assets and the depreciation of the fair value adjustment for property, plant & equipment negatively impacted net earnings with €5.7 million. For the same period the fair value adjustments for inventories and tax related issues had a non-recurring negative impact on net earnings of €28.2 million.

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

	SIX MONTHS ENDED JUNE 30,	
(EUR million)	2013	2014
Discontinued operations:		
ASMI share in net earnings January 1 - March 15, 2013	(2.8)	-
Realized gain on sale 11.88% ASMPT shares	254.7	-
Unrealized remeasurement gain on retained 40.08% ASMPT shares	1,155.6	-
REPORTED ON LINE DISCONTINUED OPERATIONS	**1,407.6**	-
Result investments and associates:		
ASMI share net earnings as from March 16, 2013	11.6	**21.8**
Amortization and other fair value adjustments from PPA	(34.0)	**(10.9)**
REPORTED ON LINE RESULT INVESTMENTS AND ASSOCIATES	**(22.3)**	**10.9**

CASH FLOW, BALANCE SHEET, LIQUIDITY AND CAPITAL RESOURCES

CASH FLOW

The following table shows the cash flow statement for continuing operations which excludes the ASMPT numbers:

	SIX MONTHS ENDED JUNE 30,	
(EUR million)	2013, PRO FORMA [1]	2014
NET EARNINGS	**(9.5)**	**60.3**
Adjustments required to reconcile net earnings to net cash from operating activities:		
Depreciation and amortization	17.4	**16.9**
Income tax	2.3	**5.1**
Investments and associates	22.3	**(10.9)**
Other adjustments	2.5	**3.2**
Changes in other assets and liabilities:		
Accounts receivable	(25.1)	**9.5**
Inventories	(3.6)	**1.9**
Accounts payable	(2.9)	**1.2**
Other assets and liabilities	6.9	**1.0**
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES FROM CONTINUING OPERATIONS	**10.3**	**88.1**
Capital expenditures	(0.7)	**(10.4)**
Capitalized development expenses	(9.0)	**(7.4)**
Other	0.7	**-**
NET CASH PROVIDED (USED) IN INVESTING ACTIVITIES FROM CONTINUING OPERATIONS	**(9.0)**	**(17.8)**
Debt issuance fees paid	-	**(1.4)**
Exercise stock options by issue of common shares	1.0	**2.9**
Dividend paid to shareholders ASMI	(31.7)	**(27.7)**
Dividend received from investments and associates	4.7	**7.5**
NET CASH PROVIDED (USED) IN FINANCING ACTIVITIES FROM CONTINUING OPERATIONS	**(25.9)**	**(18.7)**

[1] Pro forma means that for the reported period the ASMPT numbers have been deconsolidated.

BALANCE SHEET

Net working capital consisting of accounts receivable, inventories, other current assets, accounts payable, accrued expenses, advance payments from customers and deferred revenue, decreased from €112 million on December 31, 2013 to €96 million at June 30, 2014. The number of outstanding days of working capital, measured against quarterly sales, decreased from 77 days at December 31, 2013 to 57 days on June 30, 2014.

SOURCES OF LIQUIDITY

On June 30, 2014, the Company's principal sources of liquidity consisted of €368 million in cash and cash equivalents and €150 million in undrawn bank lines.

DIVIDEND

ASMI aims, as part of its financing policy, to pay a sustainable annual dividend. Annually the Supervisory Board, upon proposal of the Management Board, will assess the amount of dividend that will be proposed to the Annual General Meeting of Shareholders. The decision that a dividend be proposed to the Annual General Meeting of Shareholders will be subject to the availability of distributable profits as well as retained earnings and may be affected by our potential future funding requirements. Accordingly, dividend payments may fluctuate and could decline or be omitted in any year.

In 2007, we paid an interim dividend of €0.10 per common share. We did not pay dividends in 2008, 2009, 2010 and in any year prior to 2007. In 2011, we paid a dividend of €0.40 per common share. In 2012, 2013 and 2014, we paid a dividend of €0.50 per common share. In July 2013 we paid €4.25 per common share as an extraordinary capital repayment subsequent to the realized gain on the sale of a 12% share in our associate ASMPT.

SUBSEQUENT EVENTS

Subsequent events have been evaluated by the Company until August 29, 2014, the issuance date of this interim report 2014.
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 the annual report of 2013 that could have a material effect on the financial position or performance of the Company in the first six months of the 2014 financial year.

AUDITORS' INVOLVMENT

The content of this Interim Financial Report has 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 Management Report of our 2013 Statutory Annual Report and item 3.D. "Risks factors" in our 2013 Annual Report on Form 20-F. 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 2014.

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 2014 we expect a strong double digit sales decrease compared to the second quarter, on a currency comparable basis. The third quarter 2014 order intake is expected to be around the same level as the 2014 second quarter, also on a currency comparable basis.

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, 2014 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 29, 2014

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, 2014

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CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(EUR thousand, except share data)	NOTES	JUNE 30, 2013 (UNAUDITED)	DECEMBER 31, 2013 (AUDITED)	JUNE 30, 2014 (UNAUDITED)
Assets				
Cash and cash equivalents		535,442	312,437	**368,337**
Accounts receivable	6	85,336	83,016	**75,204**
Inventories	6	125,211	106,398	**102,797**
Income taxes receivable		486	1,226	**184**
Other current assets	6	12,641	13,156	**15,880**
TOTAL CURRENT ASSETS		**759,116**	**516,233**	**562,402**
Property, plant and equipment, net		55,079	56,531	**61,216**
Goodwill, net		10,245	10,472	**10,814**
Other intangible assets, net	5	68,176	61,229	**61,817**
Deferred tax assets		6,311	4,875	**5,677**
Evaluation tools at customers		14,007	13,332	**15,820**
Investments and Associates	2, 3	1,389,930	943,953	**967,426**
Assets classified as held for sale		5,303	738	**758**
TOTAL NON-CURRENT ASSETS		**1,549,051**	**1,091,130**	**1,123,528**
TOTAL ASSETS		**2,308,167**	**1,607,363**	**1,685,930**
Liabilities				
Accounts payable	6	40,640	44,837	**47,328**
Provision for warranty	6	7,297	7,966	**9,002**
Accrued expenses and other	6	38,340	38,168	**40,745**
Income taxes payable		5,728	10,087	**13,749**
TOTAL CURRENT LIABILITIES		**92,005**	**101,058**	**110,824**
Pension liabilities		3,168	2,477	**2,195**
Deferred tax liabilities		9,934	8,187	**9,675**
TOTAL NON-CURRENT LIABILITIES		**13,102**	**10,664**	**11,870**
TOTAL LIABILITIES		**105,107**	**111,722**	**122,694**
Equity				
Share capital		2,587	2,539	**2,547**
Capital in excess of par value		486,470	253,726	**259,829**
Retained earnings		1,687,940	1,326,093	**1,370,137**
Accumulated other comprehensive loss		26,063	(86,717)	**(69,277)**
TOTAL SHAREHOLDERS' EQUITY		**2,203,060**	**1,495,641**	**1,563,236**
Non-controlling interest		-	-	**-**
TOTAL EQUITY		**2,203,060**	**1,495,641**	**1,563,236**
TOTAL EQUITY AND LIABILITIES		**2,308,167**	**1,607,363**	**1,685,930**

See Notes to Consolidated Condensed Interim Financial Statements.

CONSOLIDATED STATEMENTS OF INCOME

(EUR thousand, except share data)	NOTES	SIX MONTHS ENDED 30 JUNE, 2013 (UNAUDITED)	2014 (UNAUDITED)
NET SALES		**208,614**	**299,103**
Cost of sales		(127,492)	**(170,273)**
GROSS PROFIT		**81,122**	**128,830**
Operating expenses:			
Selling, general and administrative		(33,640)	**(38,815)**
Research and development, net		(19,481)	**(22,368)**
Amortization and impairments of other intangible assets		(7,969)	**(7,075)**
Restructuring expenses		(985)	**(80)**
TOTAL OPERATING EXPENSES		**(62,075)**	**(68,338)**
RESULT FROM OPERATIONS		**19,047**	**60,492**
Interest income		277	**781**
Interest expense		(783)	**(2,294)**
Foreign currency exchange gain (loss)		(1,450)	**1,661**
EARNINGS BEFORE INCOME TAXES		**17,091**	**60,640**
Income tax expense		(4,231)	**(11,239)**
Result Investments	3	(22,322)	**10,902**
NET EARNINGS (LOSS) FROM CONTINUING OPERATIONS		**(9,462)**	**60,303**
Net earnings from discontinued operations	2	1,407,551	**-**
NET EARNINGS FROM OPERATIONS		**1,398,089**	**60,303**
Net earnings (loss) for allocation between shareholders of the parent and non-controlling interest			
Allocation of net earnings:			
Shareholders of the parent		1,400,682	**60,303**
Non-controlling interest		(2,593)	**-**
Per share data:	8		
(EUR)			
Basic net earnings (loss) per share:			
From continuing operations		(0.15)	**0.95**
From discontinued operations		22.28	**-**
From operations		22.13	**0.95**
Diluted net earnings (loss) per share:			
From continuing operations		(0.15)	**0.93**
From discontinued operations		22.05	**-**
From operations		21.90	**0.93**
Weighted average number of shares used in computing per share amounts (thousand)			
Basic		63,163	**63,558**
Diluted		63,839	**64,707**

See Notes to Consolidated Condensed Interim Financial Statements.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	SIX MONTHS ENDED JUNE 30,	
(EUR thousand)	2013 (UNAUDITED)	2014 (UNAUDITED)
NET EARNINGS FROM OPERATIONS	**1,398,089**	**60,303**
Other comprehensive income:		
Foreign currency translation effect continuing operations	(12,801)	**17,440**
Foreign currency translation effect discontinued operations	998	-
COMPREHENSIVE INCOME	**1,386,286**	**77,743**
Allocation of comprehensive income		
Shareholders of the parent	1,387,881	**77,743**
Non-controlling interest	(1,595)	-

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(EUR thousand, except share data)	NUMBER OF COMMON SHARES	COMMON SHARES	CAPITAL IN EXCESS OF PAR VALUE	RETAINED EARNINGS	ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)	TOTAL SHAREHOLDERS' EQUITY	NON-CONTROLLING INTEREST	TOTAL EQUITY
BALANCE JANUARY 1, 2013	**63,095,986**	**2,584**	**482,907**	**321,532**	**(21,295)**	**785,728**	**309,638**	**1,095,366**
Dividend paid on common shares	—	—	—	(31,681)	—	**(31,681)**	—	**(31,681)**
Compensation expense stock options	—	—	2,540	—	—	**2,540**	—	**2,540**
Exercise of stock options by issue of common shares	76,970	3	1,023	—	—	**1,026**	—	**1,026**
Net earnings	—	—	—	1,398,089	—	**1,398,089**	(2,593)	**1,395,496**
Other comprehensive income	—	—	—	—	(12,801)	**(12,801)**	998	**(11,803)**
Deconsolidation ASMPT	—	—	—	—	60,159	**60,159**	(308,043)	**(247,884)**
BALANCE JUNE 30, 2013 (UNAUDITED)	**63,172,956**	**2,587**	**486,470**	**1,687,940**	**26,063**	**2,203,060**	**—**	**2,203,060**
BALANCE JANUARY 1, 2014	**63,468,390**	**2,539**	**253,726**	**1,326,093**	**(86,717)**	**1,495,641**	**—**	**1,495,641**
Dividend paid on common shares	—	—	—	(27,701)	—	**(27,701)**	—	**(27,701)**
Compensation expense stock options	—	—	3,218	—	—	**3,218**	—	**3,218**
Exercise of stock options by issue of common shares	208,201	8	2,885	—	—	**2,893**	—	**2,893**
Equity movements investments and associates	—	—	—	11,442	—	**11,442**	—	**11,442**
Net earnings	—	—	—	60,303	—	**60,303**	—	**60,303**
Other comprehensive income	—	—	—	—	17,440	**17,440**	—	**17,440**
Withdrawal shares following settlement Lehman	(25,643)	—	—	—	—	**—**	—	**—**
BALANCE JUNE 30, 2014 (UNAUDITED)	**63,650,948**	**2,547**	**259,829**	**1,370,137**	**(69,277)**	**1,563,236**	**—**	**1,563,236**

CONSOLIDATED STATEMENT OF CASH FLOWS

	SIX MONTHS ENDED JUNE 30,	
(EUR thousand)	2013 (UNAUDITED)	2014 (UNAUDITED)
Cash flows from operating activities		
NET EARNINGS (LOSS) FROM CONTINUING OPERATIONS	**(9,462)**	**60,303**
Adjustments required to reconcile net earnings to net cash from operating activities:		
Depreciation and amortization	17,413	**16,854**
Income taxes	2,264	**5,079**
Interest	(53)	**-**
Compensation expenses employee stock option plans	2,540	**3,218**
Changes in other assets and liabilities:		
Accounts receivable	(25,082)	**9,493**
Inventories	(3,590)	**1,865**
Accounts payable	(2,942)	**1,220**
Other current assets and liabilities	6,859	**963**
Investments and associates	22,320	**(10,902)**
Cash flows from operating activities from discontinued operations	850	**-**
NET CASH PROVIDED BY OPERATING ACTIVITIES	**11,117**	**88,093**
Cash flows from investing activities		
Capital expenditures	(657)	**(10,578)**
Capitalized development expenses	(8,964)	**(7,394)**
Purchase of intangible assets	(259)	**-**
Proceeds from sale of property, plant and equipment	915	**131**
Cash flows from investing activities from discontinued operations	291,983	**-**
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	**283,018**	**(17,841)**
Cash flows from financing activities		
Exercise stock options by issue of common shares	1,026	**2,893**
Debt issuance fees paid	-	**(1,363)**
Dividend to common shares ASMI	(31,681)	**(27,701)**
Dividend received from investments and associates	4,726	**7,451**
Cash flows from financing activities from discontinued operations	(21,908)	**-**
NET CASH USED IN FINANCING ACTIVITIES	**(47,837)**	**(18,720)**
FOREIGN CURRENCY TRANSLATION EFFECT	**(1,331)**	**4,367**
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	**244,967**	**55,899**
Cash and cash equivalents at beginning of year	290,475	**312,437**
CASH AND CASH EQUIVALENTS AT BALANCE SHEET DATE	**535,442**	**368,337**

NOTES TO CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

NOTE 1. GENERAL INFORMATION / SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

GENERAL INFORMATION

The Company's shares are listed for trading on the NASDAQ Stock Market LLC ("NASDAQ") and on Euronext Amsterdam by NYSE ("Euronext Amsterdam"). The principal trading market of ASM International NV's ordinary shares is Euronext Amsterdam.

The consolidated financial statements include the accounts of ASMI NV and all of its subsidiaries where ASMI holds a controlling interest. The non-controlling interest is disclosed separately in the consolidated financial statements. All intercompany profits, transactions and balances have been eliminated in consolidation.

The accompanying consolidated condensed financial statements are stated in thousands of Euros ("EUR") unless indicated otherwise. Amounts in these financial statements are rounded to the nearest thousand Euro; therefore amounts may not equal (sub) totals due to rounding.

The Consolidated Condensed Interim Financial Statements for the six months ended June 30, 2014 were authorized for issue by the Management Board on August 29, 2014.

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 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 2013 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 2013 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, 2014 which impact the Consolidated Condensed Interim Financial Statements.

USE OF ESTIMATES

The preparation of the Company's consolidated financial statements 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. 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.

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

NOTE 2. DIVESTMENT

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 IFRS 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. IFRS 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.

Prior to accounting for the ASMPT investment under the equity method it was concluded that the Company lost control of ASMPT upon the sale of the 11.88% stake in ASMPT. The Company has concluded that its 40.08% retained interested in ASMPT does not constitute control under IFRS.

PRESENTATION

Under IFRS, the ‘disposal’ of the ASMPT business classifies as discontinued operations. Therefore, the gain on disposal is included in the profit or loss on discontinued operations. The discontinued operations presentation also requires the comparative periods in all 2013 financial statements to be adjusted.

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

	SIX MONTHS ENDED JUNE 30,	
	2013	2014
Discontinued operations:		
ASMI share in net earnings January 1 - March 15, 2013	(2,805)	-
Realized gain on sale 11.88% ASMPT shares	254,728	-
Unrealized remeasurement gain on retained 40.08 ASMPT shares	1,155,628	-
REPORTED ON LINE DISCONTINUED OPERATIONS	**1,407,551**	-
Result investments and associates:		
ASMI share net earnings as from March 16, 2013	11,632	**21,783**
Amortization other intangible assets and fair value changes from PPA	(33,954)	**(10,881)**
REPORTED ON LINE RESULT INVESTMENTS AND ASSOCIATES	**(22,322)**	**10,902**

NOTE 3. INVESTMENTS AND ASSOCIATES

The changes in the investment and associates are as follows:

		ASSOCIATES				
	INVESTMENTS	NET EQUITY SHARE	OTHER (IN)TANGIBLE ASSETS AND FAIR VALUE CHANGES	GOODWILL	TOTAL ASSOCIATES	TOTAL
BALANCE JANUARY 1, 2013	**278**	**-**	**-**	**-**	**-**	**278**
40.08% investment in ASMPT March 15, 2013	-	255,701	259,968	898,599	1,414,268	**1,414,268**
Results investments and associates	-	11,632	-	-	11,632	**11,632**
Amortization recognized (in)tangible assets	-	-	(5,423)	-	(5,423)	**(5,423)**
Fair value changes	-	-	(28,531)	-	(28,531)	**(28,531)**
Dividends	-	(4,732)	-	-	(4,732)	**(4,732)**
Other changes in equity		1,009	-	-	1,009	**1,009**
Foreign currency translation effect	-	804	260	365	1,429	**1,429**
BALANCE JUNE 30, 2013	**278**	**264,414**	**226,274**	**898,964**	**1,389,652**	**1,389,930**
BALANCE JANUARY 1, 2014	**278**	**264,750**	**161,531**	**517,394**	**943,675**	**943,953**
Results investments and associates	-	21,783	-	-	21,783	**21,783**
Amortization recognized (in)tangible assets	-	-	(10,881)	-	(10,881)	**(10,881)**
Dividends	-	(7,451)	-	-	(7,451)	**(7,451)**
Other changes in equity [1]	-	11,443	-		11,443	**11,443**
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**

[1] Other equity movements mainly consists of the portion of the newly issued convertible that is determined to be equity.

The investment of €278 as per June 30, 2014 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.

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. The sale of the 11.88% stake caused ASMI to cease control of ASMPT. According to IFRS 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.

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.

At each balance sheet date, the Company reviews whether there is an indication that its investments associated companies are impaired. An indication for impairment of the investments and associated companies may include a severe and other than temporary decrease in the share price of ASMPT. During the period after March 15, 2013 the ASMPT share traded for a longer period below the price at the close of sale. Considering the extent to which in the last quarter of 2013 the market price of the ASMPT shares was below cost management did a further investigation to evaluate whether this results in an impairment other than temporary. In its assessment management evaluated other factors based on its knowledge of the business and of ASMPT specifically. Management did not identify persuasive factors that the diminution of the value would be other-than-temporary and accordingly recorded an impairment charge, in which the value was adjusted to the share price on December 31, 2013 of HK$64.90. The impairment charge amounted to €335 million.

In December 2013, 1,389,200 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 2013 have diluted ASMI's ownership in ASMPT to 39.94% as of June 30, 2014.

At June 30, 2014, the book value of our equity method investment after the aforementioned impairment in ASMPT was €967 million. Per the same date the historical cost basis of our 39.94% share of net assets on the books of ASMPT under IFRS was €292 million resulting in a basis difference of €675 million. €152 million of this basis difference has been allocated property, plant and equipment and intangibles assets. The remaining amount was allocated to equity method goodwill. The basis difference attributed to inventory an related tax issues was recognized as expense during the year ending December 31, 2013, and totaled €40 million. 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 ended June 30, 2014 was after-tax expense of €11 million, representing the depreciation and amortization of the basis differences.

The market value of our 39.94% investment ASMPT at June 30, 2014 approximates €1,280 million.

Below is summarized financial information of our ASMPT equity method investment:

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

	SIX MONTHS ENDED JUNE 30,	
(HK$ million)	2013	2014
Net sales	4,975.7	**5,931.1**
Income before income tax	331.2	**706.4**
Net earnings	238.3	**573.8**

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

(HK$ million)	JUNE 30, 2013	DECEMBER 31, 2013	JUNE 30, 2014
Current assets	7,752	8,019	**11,263**
Non-current assets	2,680	2,722	**2,460**
Current liabilities	3,312	3,304	**3,588**
Non-current liabilities	425	356	**2,400**
Equity	6,696	7,081	**7,735**

NOTE 4. 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 39.94% 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, 2013				
	FRONT-END	BACK-END 100%	DECONSOLIDATED AND DISCONTINUED [1]	RECONCILIATION FROM US GAAP TO IFRS	TOTAL
Net sales to unaffiliated customers	208,614	488,960	(488,960)	-	**208,614**
Gross profit	80,676	141,952	(141,952)	446	**81,122**
Result from operations	17,335	31,319	(31,319)	1,712	**19,047**
Interest income (expenses)	(738)	(937)	937	232	**(506)**
Foreign currency exchange gains (losses), net	(1,451)	2,169	(2,169)	-	**(1,451)**
Result from investments and associates	-	-	1,372,963	12,269	**1,385,232**
Income tax expense	(3,957)	(9,135)	9,135	(274)	**(4,231)**
Net earnings (loss)	11,188	23,415	1,349,547	13,939	**1,398,089**
Allocation of net earnings (loss):					
Shareholders of the parent					**1,400,682**
Non-controlling interest					**(2,593)**
Capital expenditures and purchase of intangible assets	917	18,132	(18,132)	8,964	**9,881**
Depreciation and amortization	9,717	19,988	(19,988)	7,696	**17,413**
Cash and cash equivalents	535,442	93,478	(93,478)	-	**535,442**
Capitalized goodwill	11,193	-	-	(948)	**10,245**
Other intangible assets	7,556	1,016	(1,016)	60,619	**68,175**
Investments and associates	278	-	1,389,785	(133)	**1,389,930**
Other identifiable assets	302,399	607,212	(607,212)	1,975	**304,374**
Total assets	856,869	701,706	688,079	61,513	**2,308,167**
Total debt	-	52,332	(52,332)	-	**-**
Headcount in full-time equivalents	1,570	16,000	(16,000)	-	**1,570**

[1] The results of the Back-end segment are included in the consolidation till March 15, 2013. From that date onwards the results are reported on the line "result from investments and associates" and the balance sheet position on the line "investments an associates".

	SIX MONTHS ENDED JUNE 30, 2014				
	FRONT-END	BACK-END 100%	DECONSOLIDATED AND DISCONTINUED	RECONCILIATION FROM US GAAP TO IFRS	TOTAL
Net sales to unaffiliated customers	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 gains (losses), net	1,661	-	-	-	**1,661**
Result from investments and associates	-	-	10,649	253	**10,902**
Income tax expense	(10,096)	(12,713)	12,713	(1,143)	**(11,239)**
Net earnings (loss)	51,087	53,682	(43,033)	(1,433)	**60,303**
Allocation of net earnings (loss):					**-**
Shareholders of the parent					**-**
Non-controlling interest					**-**
Capital expenditures and purchase of intangible assets	10,628	14,387	(14,387)	7,213	**17,841**
Depreciation and amortization	10,052	17,896	(17,896)	6,803	**16,855**
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	1,617	15,100	(15,100)	-	**1,617**

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.

NOTE 5. OTHER INTANGIBLE ASSETS

Other intangible assets include purchased technology from third parties and software developed or purchased for internal use. 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, 2013	**62,236**	**6,900**	**7,015**	**76,151**
Deconsolidation ASMPT	-	(1,187)	(3,320)	**(4,507)**
Capitalized development expenses	8,964	-	-	**8,964**
Additions	-	400	33	**433**
Amortization for the period January 1 - June 30	(4,646)	(1,153)	(1,114)	**(6,913)**
Impairments	(3,051)	-	-	**(3,051)**
Foreign currency, translation effect	(2,884)	(18)	1	**(2,901)**
BOOK VALUE, NET AS PER JUNE 30, 2013	**60,619**	**4,942**	**2,615**	**68,176**
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**

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 useful lives of 3 to 7 years.

NOTE 6. WORKING CAPITAL

Net working capital is composed as follows:

(EUR thousand)	JUNE 30, 2013	DECEMBER 31, 2013	JUNE 30, 2014
Accounts receivable	85,336	83,016	**75,204**
Inventories	125,211	106,398	**102,797**
Other current assets	12,641	13,156	**15,880**
Accounts payable	(40,640)	(44,837)	**(47,328)**
Provision for warranty	(7,297)	(7,966)	**(9,002)**
Accrued expenses and other	(38,340)	(38,168)	**(40,745)**
NET WORKING CAPITAL	**136,911**	**111,599**	**96,806**

NOTE 7. 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 8. EARNINGS PER SHARE

Basic net earnings per common share is computed by dividing net earnings by the weighted average ordinary shares outstanding for that period. Diluted net earnings per ordinary share reflects the potential dilution that could occur if stock options under the ASMI Option Plan were exercised, unless potential dilution would have an anti-dilutive effect.

The following represents a reconciliation of net earnings and weighted average number of shares outstanding (in thousands) for purposes of calculating basic and diluted net earnings per share:

	SIX MONTHS ENDED JUNE 30,	
(EUR thousand)	2013	2014
Net earnings (loss) used for purpose of computing earnings per common share:		
From continuing operations	(9,462)	**60,303**
From discontinued operations	1,407,551	**-**
FROM OPERATIONS	**1,398,089**	**60,303**
(thousand)		
Basic weighted average number of shares outstanding during the year used for purpose of computing basic earnings per share	63,163	**63,558**
Dilutive effect of stock options	676	**1,149**
DILUTIVE WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING	**63,839**	**64,707**
(EUR)		
Net earnings (loss) per share:		
Basic net earnings (loss) from continuing operations	(0.15)	**0.95**
Basic net earnings from discontinued operations	22.28	**-**
Basic net earnings from operations	22.13	**0.95**
Diluted net earnings (loss) from continuing operations	(0.15)	**0.93**
Diluted net earnings from discontinued operations	22.05	**-**
Diluted net earnings from operations	21.90	**0.93**

NOTE 9. RELATED PARTY TRANSACTIONS

There have been no significant related party transactions or changes in related party transactions described in the annual report of 2013 that could have a material effect on the financial position or performance of the Company in the first six months of the 2014 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).

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