STATUTORY INTERIM REPORT

FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2016

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GENERAL

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

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

SUPERVISORY BOARD

J.C. Lobbezoo, Chairman
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

PROFILE

We are a global supplier of semiconductor wafer processing equipment and process solutions, with operations in 14 countries. Our customers include the world's top semiconductor device manufacturers. Since 1968 we have helped the industry to create smaller, cheaper and more powerful microchips. Our focus is on continuing to help our customers develop their technology roadmap, by expanding our broad portfolio of innovative technologies and products.

SEMICONDUCTOR EQUIPMENT AND SERVICES

We design, manufacture and sell equipment and services to our customers for the production of semiconductor devices, or integrated circuits ('ICs'). Semiconductor ICs, often called chips, are a key technology that enable the advanced electronic products used by consumers and businesses everywhere. Our innovative technologies are used by the most advanced semiconductor manufacturers, primarily for the deposition of thin films.

SMALLER FASTER CHEAPER CHIPS

Semiconductor chips enable technological advances for an expanding number of applications. The cloud, smart vehicles, the desire to be fully connected at all times for email, phone and the internet. All these factors are driving the demand for smaller, faster, cheaper chips. The semiconductor industry is committed to reducing the size of transistors, so that the transistors will be faster, and that more of them fit in the same physical space. For over 50 years, following the trend called Moore's Law, the average number of components per integrated semiconductor device, at the optimum cost-per-component, has increased by a factor of two every 18 to 24 months. Currently, the most advanced microprocessor chips include over 3 billion transistors.

Our technology is an enabler of the deposition of the extremely thin material layers that create these advanced chips. As a driver of innovation, we have established a leading position in the fast-growing market of Atomic Layer Deposition (ALD), and also provide equipment for PECVD, epitaxy, and vertical furnace applications. Our portfolio of ALD products is an enabling technology for our customers, helping them to build faster, cheaper and more powerful semiconductors.

COMPLEX PROCESSES

The process of making semiconductor ICs is highly complex and very costly. Semiconductor fabrication plants, called fabs, house a large set of wafer processing equipment which performs a series of process steps on round silicon wafers, which are typically 300mm in diameter. The equipment is operated in cleanrooms that filter the air to avoid small particles that could negatively affect the circuitry on the chips. There are many chips on each wafer. Most of our systems are designed for deposition processes when thin films, or layers, of various materials are grown or deposited onto the wafer. After testing the individual circuits for correct performance, the chips on the wafer are separated and then packaged in a protective housing before ultimately becoming part of a set of IC chips on circuit boards within an electronic product.

SUPPLYING THE WORLD'S TOP MANUFACTURERS

Our innovative technologies and products are used by all of the world's top semiconductor manufacturers, primarily for the deposition of thin films. We are a truly global company. Based in 14 countries, we benefit from the advantages of bringing together the best brains in the world to help our customers develop their technology roadmap.

WAFER PROCESSING

We focus primarily on equipment and process solutions for the deposition of thin films. Our core strengths are in ALD, epitaxy, plasma enhanced chemical vapor deposition (PECVD), low-pressure chemical vapor deposition (LPCVD), and oxidation/diffusion. In order to meet our customers' needs, we have developed - and are still developing - the deposition technology for many new materials.

With this portfolio of established and newer 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;
- Liners and spacers;
- 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 result in greater efficiencies for businesses and greater opportunities for everyone.

GLOBAL TRENDS

We live in a society that is increasingly connected. From the way we interact and travel, to the cities we inhabit, we rely on electronic devices to help us communicate, navigate, learn and play. The next phase in this journey is the move towards the Internet of Things, where devices connect online and share data. As objects become 'smarter' and provide us with more information about our world, we will see greater connectivity between individuals, societies and businesses, resulting in more freedom, economic growth and innovations in health, safety and energy.

3D TRANSISTORS

These developments are only possible because of the industry's relentless push to follow Moore's Law, which results in the development of devices with greater performance at lower costs. One result of this advanced technology drive is higher complexity in transistors and memory devices. Historically, new technology nodes have been achieved by shrinking the transistor size, although certain physical limits have recently been reached. To solve this problem, the trend is to build 3D (three-dimensional) transistors, as more performance functionality can be stacked vertically than in two dimensions. The result is that FinFETs and several 3D memory architectures are now in volume production.

Another 3D trend in semiconductor manufacturing is the stacking of several chips in one package. These chips can come from different supply chains, each optimized for its own performance and cost, enabling the manufacture of heterogeneous devices with integration in the package or as chips stacked on a wafer. As a consequence, 'more than Moore' chips can be efficiently integrated with conventional Moore-scaled devices in one package.

SEMICONDUCTOR ROADMAP

The trends outlined above are the main drivers of the broad semiconductor roadmap which semiconductor equipment companies track in developing new production systems and process technologies. These new systems and technologies must be developed well ahead of volume demand for the semiconductor devices they make. As a result, there is a long lead-time between the investment in a new technology and its commercial success. With the combination of a long lead time and the short product life-cycles comes the inherent difficulty of matching supply and demand, which results in the high volatility associated with the semiconductor equipment industry.

GREATER COMPLEXITY

Semiconductor chips are manufactured in wafer fabrication plants, where silicon wafers 300mm in diameter move through a series of process steps, including lithography, deposition and etching. Demand for the semiconductor equipment we manufacture is driven both by growth in the end market for semiconductor devices, and by new technology needed to realize the next generation of devices. The result of this advanced technology drive is greater complexity in transistors and memory devices, which means wafer processing equipment gets ever more complex, driving the trend of higher wafer fab capital costs.

ALD TECHNOLOGY

By driving innovations at the atomic level, we play an integral part in enabling our customers to fulfil their ambitions. The chip-making process is in the age of the nanometer, and we are now creating transistors that are only a few nanometers across. But connecting billions of transistors on a single chip requires astonishing precision. As a leading supplier of ALD process solutions to the semiconductor industry, our ALD technology makes this possible.

ALD allows us to deposit thin films atom-by-atom on silicon wafers, meaning we can deliver atomic-scale thickness control, high quality deposition and large area uniformity. Such precision means we can use materials that could not be considered before and develop 3D structures, such as FinFETs, which are vital to the future of electronics.

As the industry continues to shift from working in a single plane to 3D, our ALD deposition technology will enable customers to produce the chips of tomorrow.

MISSION, STRATEGY AND FOCUS AREAS

Our track record as an experienced innovation leader is a result of focusing on key issues and challenges within the semiconductor technology roadmap, enabling us to make the greatest difference to our customers. While these issues may change over time, one thing will always remain the same: we will continue to transform the results of our breakthrough technologies into volume manufacturing, benefiting our customers.

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 advance the adoption of our technology platforms by developing new materials and process applications that support our customers' long-term technology roadmaps. Our ALD technique provides us with a platform for a whole new generation of technologies and processes, and 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 learn, 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, our leadership in ALD, and our strong relationships with key customers. We have also integrated corporate responsibility (CR) into our strategic goals, and aim to continue to help improve the quality of people's lives.

The key elements of our strategy are:

INNOVATIVE STRENGTH

We have always been recognized for our 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, chemical manufacturers and research institutes such as imec. We also expand our patent portfolio when necessary and beneficial.

LEADERSHIP ALD

ALD technologies are 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 has 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 level, providing the best cost of ownership. To help achieve this, we continue to optimize our manufacturing and global sourcing processes, including the migration to common product platforms.

RESPONSIBILITY

We believe that being a responsible company creates value for our company, our stakeholders and society, which is why we have integrated CR into our strategic goals. Our goal is to manage all aspects of our business responsibly to meet or exceed stakeholder expectations, while holding our suppliers to the same high standards that we set for ourselves. This will enable us to continue to help improve the quality of people's lives.

FOCUS AREAS

Within wafer processing, we focus primarily on equipment and process solutions for the deposition of thin films. Our core strengths are in ALD, Epitaxy, Plasma Enhanced Chemical Vapor Deposition (PECVD), Low Pressure Chemical Vapor Deposition (LPCVD) and Oxidation/Diffusion. With this broad 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;
- liners and spacers;
- 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, 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, to enable further efficiencies in our manufacturing process, we exert significant effort on improving the level of standardization in our equipment portfolio by migrating to common platforms, sub-assemblies and components.

KEY FIGURES

(EUR million, except headcount and share data)	SIX MONTHS ENDED JUNE 30, 2015	2016
New Orders	325.0	**322.9**
Backlog	148.5	**175.4**
Book-to-bill	0.9	**1.1**
Net sales	362.9	**281.2**
Gross profit	160.4	**123.3**
Gross profit margin %	44.2%	**43.8%**
Result from operations	76.5	**35.5**
Operating margin %	21.1%	**12.6%**
Result from investments in associates	33.1	**22.7**
Amortization of fair value adjustments from PPA	(13.4)	**(13.5)**
Net earnings from operations, attributable to common shareholders	103.6	**40.9**
Non-current assets	1,381.4	**1,421.5**
Current assets	651.7	**602.1**
Total assets	2,033.0	**2,023.6**
Non-current liabilities	12.9	**13.9**
Current liabilities	150.5	**102.7**
Total equity	1,869.6	**1,907.0**
Net working capital [1]	13.8	**30.1**
Net debt [2]	(363.0)	**(370.1)**
Cash flows from operating activities	60.4	**31.3**
Cash flows from investing activities	(11.9)	**(24.1)**
Cash flows from financing activities	(92.5)	**(83.2)**
Headcount full-time equivalents	1,654	**1,609**
Per share data		
Basic net earnings per share (EUR)	1.66	**0.67**
Diluted net earnings per share (EUR)	1.64	**0.66**
Weighted average number of shares (thousand)		
Basic	62,339	**61,156**
Diluted	63,333	**61,687**

1 See Notes to the Consolidated Condensed Interim Financial Statements, Note 5.
2 Net debt is defined as debt minus cash and cash equivalents.

INTERIM MANAGEMENT BOARD REPORT

ASMI CONSOLIDATED RESULTS FOR THE SIX MONTHS ENDED JUNE 30, 2016

The following table shows the operating performance for the six months ended June 30, 2016, compared to the same period of previous year:

	SIX MONTHS ENDED JUNE 30,		
(EUR million)	2015	2016	CHANGE
New orders	325	**322.9**	(1%)
Backlog	148.5	**175.4**	18%
Book-to-bill	0.9	**1.1**	
Net sales	362.9	**281.2**	(23%)
Gross profit	160.4	**123.3**	(23%)
Gross profit margin %	44.2%	**43.8%**	
Selling, general and administrative expenses	(46.0)	**(43.5)**	(5%)
Research and development expenses	(37.4)	**(42.9)**	14%
Restructuring expenses	(0.5)	**(1.5)**	n/a
Result from operations	76.5	**35.5**	(54%)
Operating margin %	21.1%	**12.6%**	
			in EUR million
Financing income/(expenses)	16.5	**(1.2)**	(17.8)
Income tax	(9.1)	**(2.5)**	6.6
Share in income of investments in associates			
ASMI share net earnings	33.1	**22.7**	(10.4)
Amortization of fair value adjustments from PPA	(13.4)	**(13.5)**	(0.1)
Net earnings from operations, attributable to common shareholders	103.6	**40.9**	(62.7)

The backlog at the end of June increased with 18% to a level of €175.4 million, compared to June 30 last year. The book-to-bill ratio was 1.1.

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, 2016 and the backlog for the same period of 2015:

	SIX MONTHS ENDED JUNE 30,		
(EUR million)	2015	2016	% CHANGE
BACKLOG AT THE BEGINNING OF THE YEAR	**176.1**	**127.8**	**(27%)**
New orders	325.0	**322.9**	(1%)
Net sales	(362.9)	**(281.2)**	(23%)
FX-effect	10.3	**5.9**	
BACKLOG AS PER REPORTING DATE	**148.5**	**175.4**	**18%**
BOOK-TO-BILL RATIO (NEW ORDERS DIVIDED BY NET SALES)	**0.9**	**1.1**	

Net sales for the six months ended June 30, 2016 amounted to €281.2 million, a decrease with 23% compared to the same period last year which showed record sales. Our ALD business continued to be the key revenue driver. By customer segment, revenue in the quarter was led by foundry and logic, followed by memory. The impact of currency changes was an increase of 1% year on year.

The gross profit margin for the six months ended June 30, 2016 at 43.8% remained relatively stable compared to the 44.2% of the same period last year. The variation in the gross margin is mainly explained by mix differences. The impact of currency changes was an increase of 3% year on year.

Selling, general and administrative expenses decreased with 5% compared to previous year. As a percentage of sales SG&A expenses were 15% compared to 13% for the same period previous year. The impact of currency changes was flat.

Research and development expenses

	SIX MONTHS ENDED JUNE 30,		
(EUR million)	2015	2016	% CHANGE
Research and development expenditure	(43.8)	**(48.3)**	10%
Capitalized development expenditure	13.0	**13.8**	6%
Amortization capitalized development expenditure	(6.6)	**(8.3)**	26%
TOTAL	**(37.4)**	**(42.9)**	**14%**

Research and development expenses for the six months ended June 30, 2016 increased with 14% compared to the comparable period previous year, driven by additional investments to fulfill customer requirements. As a percentage of sales R&D expenses increased to 15%, compared to 10% for the same period previous year. Amortization of capitalized development expenses increased with 26% compared to last year. The impact of currency changes on research and development expenses was an increase of 2%.

Operating result decreased from €76.5 million in the first six months of 2015 to €35.5 million for the same period this year. Operating result as a percentage of sales decreased from 21.1% to 12.6%.

Financing income/(expenses)

(EUR million)	SIX MONTHS ENDED JUNE 30, 2015	2016	CHANGE
Interest income	0.4	**2.6**	2.2
Interest expenses	(0.7)	**(0.6)**	0.1
Foreign currency exchange results	16.8	**(3.2)**	(20.0)
TOTAL	**16.5**	**(1.2)**	**(17.7)**

Interest expenses for the six months ended June 30, 2016 are mainly related to the stand-by facility. Foreign currency exchange results reflect the revaluation of cash positions denominated in foreign currencies, mainly US$.

Share in income of investments in associates

Result from investments includes our approximately 39% share in net earnings of ASMPT. In the six month ended June 30, 2016 ASMPT showed a sales decrease of 4% compared to the first six months of last year, from HK$6,818 million to HK$6,531 million. Sales were 6% above the level of the last six months of 2015 of HK$6,159 million. ASMPT's net earnings on a 100% base include restructuring costs of €9 million related to the relocation of manufacturing operations in China. Excluding these one-offs, on a 100% basis, net earnings were €80 million in the six months ended June 30, 2016. The comparable period last year, also on a 100% basis, showed net earnings, excluding one-offs, of €84 million.

For the six months ended June 30, 2016 the amortization of the recognized intangible assets and the depreciation of the fair value adjustment for property, plant & equipment negatively impacted net earnings with €13.5 million. The annualized amount of this amortization will remain on a level of approximately €27 million until 2017 and then decreases.

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

(EUR million)	SIX MONTHS ENDED JUNE 30, 2015	2016
ASMI share net earnings	33.1	**22.7**
Amortization of fair value adjustments from PPA	(13.4)	**(13.5)**
TOTAL	**19.6**	**9.1**

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, 2016 compared to the same period of previous year:

	SIX MONTHS ENDED JUNE 30,	
(EUR million)	2015	2016
NET EARNINGS FROM OPERATIONS, ATTRIBUTABLE TO COMMON SHAREHOLDERS	**103.6**	**40.9**
Adjustments required to reconcile net earnings to net cash from operating activities:		
Depreciation, amortization and impairments	19.2	**23.8**
Share-based compensation	3.1	**3.7**
Income taxes	9.1	**2.5**
Non-cash financing costs	(16.2)	**0.7**
Investments and associates	(19.6)	**(9.1)**
Changes in other assets and liabilities:		
Accounts receivable	(34.2)	**(17.6)**
Inventories	(1.8)	**(0.2)**
Other current assets	(10.6)	**0.2**
Accounts payable and accrued expenses	18.7	**(9.5)**
Income tax paid	(10.9)	**(4.1)**
NET CASH PROVIDED BY OPERATING ACTIVITIES	**60.4**	**31.3**
Capital expenditures	(16.8)	**(13.8)**
Capitalized development expenditure	(13.0)	**(13.8)**
Purchase of intangible assets	(5.7)	**(3.7)**
Investments in associates	(0.9)	**-**
Dividend received from associates	24.5	**7.2**
NET CASH USED IN INVESTING ACTIVITIES	**(11.9)**	**(24.1)**
Purchase of treasury shares	(70.7)	**(57.0)**
Proceeds from issuance of shares and exercise of stock options	10.6	**11.0**
Dividend paid to common shareholders ASMI	(32.5)	**(37.2)**
NET CASH USED IN FINANCING ACTIVITIES	**(92.5)**	**(83.2)**

BALANCE SHEET

Net working capital, consisting of accounts receivable, inventories, other current assets, accounts payable, provision for warranty accrued expenses and other payables, increased from €114 million on December 31, 2015 to €133 million at June 30, 2016. This increase was mainly caused by a higher accounts receivable position due to strong sales towards the end of the quarter. The number of outstanding days of working capital, measured against quarterly sales, increased from 69 days at December 31, 2015 to 85 days on June 30, 2016.

SOURCES OF LIQUIDITY

On June 30, 2016, the Company's principal sources of liquidity consisted of €370 million in cash and cash equivalents and €150 million in undrawn bank lines.

SHARE BUYBACK PROGRAMS

On October 29, 2015, ASMI announced a share buyback program, to purchase up to an amount of €100 million of its own shares within the 2015-2016 time frame. The program started on November 26, 2015. On June 30, 2016 of the program just over 65% was completed at an average share price of €36.37.

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

SUBSEQUENT EVENTS

Subsequent events have been evaluated by the Company until August 31, 2016, the issuance date of this interim report 2016. 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 2015 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 2016 financial year.

AUDITORS' INVOLVEMENT

The contents of this Interim Financial 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 2015 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 2016.

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

2015 has shown a strong growth of the single wafer ALD market. We estimate this growth to continue whereby the single wafer ALD equipment market will double in the period 2015-2018/2019. We however expect the single wafer ALD market to show a double digit decline in 2016, caused by a low demand in Memory which will not be offset by the strong increase in Logic/Foundries. Our single wafer ALD market share is expected to show an increase in 2016. We expect the single wafer ALD market to strongly improve again in 2017.

- In Memory, the NAND market is shifting from Planar NAND to 3D NAND. This shift will significantly reduce the demand for additional multi patterning-related single wafer ALD capacity. Non-patterning related single wafer ALD demand is expected to gradually increase as soon as next generation 3D NAND is going to ramp into high volume.
- In Memory, DRAM industry capacity demand was high in 2015 and has declined strongly in 2016. Based on current visibility the demand for new DRAM-related single wafer ALD capacity is believed to recover earliest in the course of 2017.
- In Logic/Foundry the transition to the 10 nm technology node fuels substantially higher single wafer ALD-equipment demand than the previous nodes.

For the third quarter of 2016 we expect sales between €135-150 million, while we expect an order intake of €100-130 million, both on a currency comparable level. We expect a stronger second half year in terms of sales as compared to the first six months of 2016.

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, 2016 prepared in accordance with IAS 34 Interim reporting 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, 2016

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, 2016

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

(EUR thousand, except share data)	NOTES	SIX MONTHS ENDED JUNE 30, 2015 (UNAUDITED)	SIX MONTHS ENDED JUNE 30, 2016 (UNAUDITED)
Net sales	5	362,941	281,161
Cost of sales		(202,519)	(157,889)
GROSS PROFIT	5	160,422	123,272
Operating expenses:			
Selling, general and administrative		(46,444)	(44,928)
Research and development		(37,445)	(42,870)
TOTAL OPERATING EXPENSES		(83,889)	(87,798)
RESULT FROM OPERATIONS	5	76,533	35,474
Finance income		423	2,557
Finance expenses		(715)	(577)
Foreign currency exchange gain (loss), net		16,826	(3,199)
Share in income of investments in associates	3	19,622	9,144
INCOME BEFORE INCOME TAXES		112,689	43,399
Income taxes		(9,052)	(2,465)
NET EARNINGS FROM OPERATIONS, ATTRIBUTABLE TO COMMON SHAREHOLDERS		103,637	40,934
Per share data	7		
Net earnings per share			
Basic		1.66	0.67
Diluted		1.64	0.66
Weighted average number of shares (thousand)			
Basic		62,339	61,156
Diluted		63,333	61,687

See Notes to Consolidated Condensed Interim Financial Statements.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(EUR thousand)	SIX MONTHS ENDED JUNE 30, 2015 (UNAUDITED)	SIX MONTHS ENDED JUNE 30, 2016 (UNAUDITED)
NET EARNINGS FROM OPERATIONS, ATTRIBUTABLE TO COMMON SHAREHOLDERS	**103,637**	**40,934**
Other comprehensive income, items that may be subsequently reclassified to profit or loss:		
Foreign currency translation effect	110,406	(10,627)
Related tax	-	-
TOTAL COMPREHENSIVE INCOME	**214,043**	**30,307**

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(EUR thousand)		JUNE 30, 2015 (UNAUDITED)	DECEMBER 31, 2015 (AUDITED)	JUNE 30, 2016 (UNAUDITED)
Assets				
Property, plant and equipment	5	89,831	91,794	**96,099**
Goodwill		11,270	11,270	**11,270**
Other intangible assets	2	80,516	81,535	**93,308**
Investments in associates	3	1,175,903	1,180,839	**1,166,865**
Deferred tax assets		4,037	11,563	**11,580**
Evaluation tools at customers		19,833	28,999	**42,357**
TOTAL NON-CURRENT ASSETS		**1,381,390**	**1,406,000**	**1,421,479**
Inventories	4	135,321	113,502	**102,848**
Accounts receivable	4	120,532	90,190	**111,835**
Income taxes receivable		144	515	**124**
Other current assets	4	32,642	18,855	**17,171**
Cash and cash equivalents		363,013	446,915	**370,116**
TOTAL CURRENT ASSETS		**651,652**	**669,977**	**602,094**
TOTAL ASSETS		**2,033,042**	**2,075,977**	**2,023,573**
EQUITY		**1,869,629**	**1,948,379**	**1,906,964**
Pension liabilities		1,109	1,170	**828**
Deferred tax liabilities		11,756	11,332	**13,118**
TOTAL NON-CURRENT LIABILITIES		**12,865**	**12,502**	**13,946**
Accounts payable	4	72,367	54,441	**54,104**
Provision for warranty	4	10,157	9,023	**7,674**
Income taxes payable		11,175	6,841	**3,789**
Accrued expenses and other payables	4	56,849	44,791	**37,096**
TOTAL CURRENT LIABILITIES		**150,548**	**115,096**	**102,663**
TOTAL LIABILITIES		**163,413**	**127,598**	**116,609**
TOTAL EQUITY AND LIABILITIES		**2,033,042**	**2,075,977**	**2,023,573**

See Notes to Consolidated Condensed Interim Financial Statements.

CHANGES OF PRESENTATION

We reclassified certain items to conform to the current presentation.

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	OTHER RESERVES [1]	TOTAL EQUITY
BALANCE JANUARY 1, 2015	**62,968,184**	**2,553**	**216,322**	**(27,733)**	**1,497,109**	**54,770**	**1,743,021**
Net earnings	-	-	-	-	103,637	-	**103,637**
Other comprehensive income	-	-	-	-	-	110,406	**110,406**
TOTAL COMPREHENSIVE INCOME	**-**	**-**	**-**	**-**	**103,637**	**110,406**	**214,043**
Dividend paid to common shareholders	-	-	-	-	(32,475)	-	**(32,475)**
Compensation expenses share based payments	-	-	3,120	-	-	-	**3,120**
Exercise of stock options out of treasury shares	586,026	-	(2,479)	19,503	(8,978)	-	**8,046**
Purchase of common shares	(1,640,454)	-	-	(68,109)	-	-	**(68,109)**
Other movements in investments and associates							
Dilution	-	-	-	-	1,983	-	**1,983**
BALANCE JUNE 30, 2015 (UNAUDITED)	**61,913,756**	**2,553**	**216,963**	**(76,339)**	**1,561,276**	**165,176**	**1,869,629**
Net earnings	-	-	-	-	53,640		**53,640**
Other comprehensive income	-	-	-	-	-	26,905	**26,905**
TOTAL COMPREHENSIVE INCOME	**-**	**-**	**-**	**-**	**53,640**	**26,905**	**80,545**
Dividend paid to common shareholders	-	-	-	-	(4,683)	-	**(4,683)**
Compensation expenses share based payments	-	-	5,093	-	-	-	**5,093**
Exercise of stock options out of treasury shares	44,574	-	(188)	1,482	2,092	-	**3,386**
Purchase of common shares	(251,943)	-	-	(9,143)	-	-	**(9,143)**
Other movements in investments and associates							
Dilution	-	-	-	-	3,552	-	**3,552**
BALANCE JANUARY 1, 2016 (AUDITED)	**61,706,387**	**2,553**	**221,868**	**(84,000)**	**1,615,877**	**192,081**	**1,948,379**
Net earnings	-	-	-	-	40,934	-	**40,934**
Other comprehensive income	-	-	-	-	-	(10,627)	**(10,627)**
TOTAL COMPREHENSIVE INCOME	**-**	**-**	**-**	**-**	**40,934**	**(10,627)**	**30,307**
Dividend paid to common shareholders	-	-	-	-	(37,187)	-	**(37,187)**
Compensation expenses share based payments	-	-	3,709	-	-	-	**3,709**
Exercise of stock options out of treasury shares	595,250	-	(2,210)	20,998	(9,647)	-	**9,141**
Purchase of common shares	(1,557,106)	-	-	(54,297)	-	-	**(54,297)**
Other movements in investments and associates							
Dilution	-	-	-	-	4,057	-	**4,057**
Other movements	-	-	-	-	2,855	-	**2,855**
BALANCE JUNE 30, 2016 (UNAUDITED)	**60,744,531**	**2,553**	**223,367**	**(117,299)**	**1,616,889**	**181,454**	**1,906,964**

[1] Other reserves consist of the currency translation reserve and the reserve for proportionate share in other comprehensive income investments in associates.

CONSOLIDATED STATEMENT OF CASH FLOWS

(EUR thousand)	SIX MONTHS ENDED JUNE 30, 2015 (UNAUDITED)	2016 (UNAUDITED)
Cash flows from operating activities		
NET EARNINGS FROM OPERATIONS, ATTRIBUTABLE TO COMMON SHAREHOLDERS	**103,637**	**40,934**
Adjustments required to reconcile net earnings to net cash from operating activities:		
Depreciation, amortization and impairments	19,150	**23,777**
Share-based compensation	3,120	**3,709**
Non-cash financing costs	(16,215)	**740**
Share in income of investments in associates	(19,622)	**(9,144)**
Income tax	9,052	**2,465**
Changes in other assets and liabilities:		
Accounts receivable	(34,179)	**(17,638)**
Inventories	(1,796)	**(229)**
Other current assets	(10,552)	**240**
Accounts payable and accrued expenses	18,701	**(9,498)**
Income tax paid	(10,859)	**(4,053)**
NET CASH PROVIDED BY OPERATING ACTIVITIES	**60,437**	**31,303**
Cash flows from investing activities		
Capital expenditures, net	(16,805)	**(13,817)**
Capitalized development expenditure	(12,974)	**(13,799)**
Purchase of intangible assets	(5,701)	**(3,734)**
Dividend received from associates	24,457	**7,235**
Investments in associates	(900)	**-**
NET CASH USED IN INVESTING ACTIVITIES	**(11,923)**	**(24,115)**
Cash flows from financing activities		
Purchase of treasury shares ASMI	(70,662)	**(56,957)**
Proceeds from issuance of shares and exercise of stock options	10,599	**10,969**
Dividends paid to common shareholders	(32,475)	**(37,187)**
NET CASH USED IN FINANCING ACTIVITIES	**(92,538)**	**(83,175)**
Foreign currency translation effect on cash and cash equivalents	21,260	**(812)**
NET DECREASE IN CASH AND CASH EQUIVALENTS	**(22,764)**	**(76,799)**
Cash and cash equivalents at beginning of year	385,777	**446,915**
CASH AND CASH EQUIVALENTS AT BALANCE SHEET DATE	**363,013**	**370,116**

CHANGES OF PRESENTATION

We reclassified certain items to conform to the current presentation.

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.

Our shares are listed for trading on the Euronext Amsterdam Stock Exchange (symbol ASM).

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, 2016 were authorized for issue by the Management Board on August 31, 2016.

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. 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 2015 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 2015 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, 2016 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. 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)	DEVELOPMENT COSTS	SOFTWARE	PURCHASED TECHNOLOGY AND OTHER INTANGIBLE ASSETS	TOTAL
BALANCE JANUARY 1, 2015	**61,254**	**1,819**	**2,141**	**65,214**
Additions	12,974	2,490	3,300	**18,764**
Amortization for the period	(6,648)	(314)	(890)	**(7,852)**
Reclassification	-	365	-	**365**
Foreign currency, translation effect	3,916	24	85	**4,025**
BALANCE JUNE 30, 2015	**71,496**	**4,384**	**4,636**	**80,516**
Additions	17,204	1,336	-	**18,540**
Amortization for the period	(5,146)	(132)	(1,177)	**(6,455)**
Impairments	(12,854)	-	-	**(12,854)**
Foreign currency, translation effect	1,778	1	9	**1,788**
BALANCE JANUARY 1, 2016	**72,478**	**5,589**	**3,468**	**81,535**
Additions	13,799	3,734	-	**17,533**
Amortization for the period	(8,330)	(282)	(602)	**(9,214)**
Foreign currency, translation effect	3,443	10	1	**3,454**
BALANCE JUNE 30, 2016	**81,390**	**9,051**	**2,867**	**93,308**

Impairment charges on capitalized development costs are included in operating expenses under research and development. Impairment of capitalized development expenses primarily related to development of new hardware for which the customers demand has shifted out in time, and purchased technology which became obsolete. The impairment charge for 2015 relates for an amount of €10.1 million to the impairment of capitalized development expenditures related to the 450mm technology and for an amount of €2.8 million to the capitalized development expenditures of other projects. As a result of these impairments the carrying value of these project was reduced to zero.

The purchased technology in 2015 amounting €3.3 million relates to patents acquired from our equity investment Levitech BV.

Capitalized development costs are amortized over their estimated useful lives of 5 years, other intangible assets are amortized over their estimated useful lives of 3 to 7 years.

NOTE 3. INVESTMENTS IN ASSOCIATES

The changes in the investments in associates are as follows:

		ASMPT				
(EUR thousand)	LEVITECH [1]	NET EQUITY SHARE	OTHER (IN)TANGIBLE ASSETS AND FAIR VALUE CHANGES	GOODWILL	TOTAL ASMPT	TOTAL
BALANCE JANUARY 1, 2015	**-**	**346,563**	**158,844**	**587,541**	**1,092,948**	**1,092,948**
Share in net earnings of investments in associates	-	33,061	-	-	33,061	**33,061**
Other comprehensive income of investments in associates	-	1,983	-	-	1,983	**1,983**
Amortization recognized (in)tangible assets	-	-	(13,439)	-	(13,439)	**(13,439)**
Dividends	-	(24,457)	-	-	(24,457)	**(24,457)**
Interest increase	900	-	-	-	-	**900**
Foreign currency translation effect	-	20,814	13,712	50,381	84,907	**84,907**
BALANCE JUNE 30, 2015, UNAUDITED	**900**	**377,964**	**159,117**	**637,922**	**1,175,003**	**1,175,903**
Share in net earnings of investments in associates	-	11,097	-	-	11,097	**11,097**
Other comprehensive income of investments in associates	-	(1,416)	-	-	(1,416)	**(1,416)**
Amortization recognized (in)tangible assets	-	-	(13,712)	-	(13,712)	**(13,712)**
Dividends	-	(18,408)	-	-	(18,408)	**(18,408)**
Value reduction as resulting from start-up costs	(900)	-	-	-	-	**(900)**
Dilution ASMPT share to 39.55%		5,535	-	-	5,535	**5,535**
Foreign currency translation effect	-	400	4,457	17,883	22,740	**22,740**
BALANCE JANUARY 1, 2016	**-**	**375,172**	**149,862**	**655,805**	**1,180,839**	**1,180,839**
Share in net earnings of investments in associates	-	22,655	-	-	22,655	**22,655**
Other comprehensive income of investments in associates	-	1,678	-	-	1,678	**1,678**
Amortization recognized (in)tangible assets	-	-	(13,511)	-	(13,511)	**(13,511)**
Dilution ASMPT share to 39.40%	-	5,234	-	-	5,234	**5,234**
Dividends	-	(7,235)	-	-	(7,235)	**(7,235)**
Foreign currency translation effect	-	(6,415)	(2,982)	(13,398)	(22,795)	**(22,795)**
BALANCE JUNE 30, 2016, UNAUDITED	**-**	**391,089**	**133,369**	**642,407**	**1,166,865**	**1,166,865**

[1] 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. In 2015 ASMI increased its interest to 24%.The value has been reduced in 2014 and 2015 due to (start-up) losses of Levitech caused by the introduction of their advanced products in the market.

On March 15, 2013, the Company divested a controlling stake in its subsidiary ASM Pacific Technology Ltd (ASMPT). After the initial accounting of the sale transaction and related gains future income from ASMPT was adjusted for the fair value adjustments arising from 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. The composition of this fair value was determined through a PPA. The PPA resulted in the recognition of intangible assets for customer relationship, technology, trade name, product names and goodwill. 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 carrying value.

If the fair value of an investment is less than its carrying value at the balance sheet date, the Company determines whether the impairment is temporary or prolonged. The amount per share recognized as per December 31, 2015 under equity accounting amounts to HKD62.27 whereas the level 1 fair value per share (being the market price of a share on the Hong Kong Stock Exchange) was HKD60.90 as per December 31, 2015. Management concluded that based on quantitative analysis no impairment of its share in ASMPT existed as per December 31, 2015.

In December 2015, 2,010,800 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 2015 have diluted ASMI's ownership in ASMPT to 39.55% as of December 31, 2015.

In June 2016, 1,575,133 common shares of ASMPT (par value of HK$0.10 per share) were issued as a consequence of the conversion of HKD 150 million of debt. The shares issued have diluted ASMI's ownership in ASMPT to 39.40% as of June 30, 2016.

At June 30, 2016, the book value of our equity method investment in ASMPT was €1,167 million. The historical cost basis of our 39.40% share of net assets on the books of ASMPT under IFRS was €391 million as of June 30, 2016, resulting in a basis difference of €776 million. €133 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, 2016 was after-tax expense of €13 million, representing the depreciation and amortization of the basis differences.

Summarized 100% earnings information for ASMPT equity method investment excluding basis adjustments (foreign currency exchange rate per June 30, 2016: 1 HK$: €0.116, December 31, 2015: 1HK$: €0.119 and per June 30, 2015: 1HK$: €0.115).

	SIX MONTHS ENDED JUNE 30,	
(HK$ million)	2015	2016
Net sales	6,817.8	**6,531.3**
Earnings before income tax	947.4	**636.9**
Net earnings	722.9	**493.1**

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

(HK$ million)	JUNE 30, 2015	DECEMBER 31, 2015	JUNE 30, 2016
Current assets	10,766	10,094	**11,569**
Non-current assets	3,622	3,774	**3,760**
Current liabilities	3,540	3,133	**6,337**
Non-current liabilities	2,592	2,699	**423**
Equity	8,255	8,036	**8,569**

NOTE 4. WORKING CAPITAL

Net working capital is composed as follows:

(EUR thousand)	JUNE 30, 2015	DECEMBER 31, 2015	JUNE 30, 2016
Inventories	135,321	113,502	**102,848**
Accounts receivable	120,532	90,190	**111,835**
Other current assets	32,642	18,855	**17,171**
Accounts payable	(72,367)	(54,441)	**(54,104)**
Provision for warranty	(10,157)	(9,023)	**(7,674)**
Accrued expenses and other payables	(56,849)	(44,791)	**(37,096)**
NET WORKING CAPITAL	**13,801**	**790**	**30,132**

NOTE 5. SEGMENT DISCLOSURE

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 39.40% 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 result 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.

(EUR thousand)	SIX MONTHS ENDED JUNE 30, 2015 FRONT-END	BACK-END 100%	DECONSOLIDATED	TOTAL
Net sales	362,941	781,936	(781,936)	**362,941**
Gross profit	160,422	290,567	(290,567)	**160,422**
Result from operations	76,533	117,482	(117,482)	**76,533**
Interest income (expenses)	(292)	(8,826)	8,826	**(292)**
Foreign currency exchange results	16,826	-	-	**16,826**
Result from investments in associates	-	-	19,622	**19,622**
Income taxes	(9,052)	(25,752)	25,752	**(9,052)**
Net earnings	84,015	82,904	(63,282)	**103,637**
Cash flows from operating activities	60,437	3,611	(3,611)	**60,437**
Cash flows from investing activities	(36,380)	(31,770)	56,227	**(11,923)**
Cash flows from financing activities	(92,538)	(68,677)	68,677	**(92,538)**
Cash and cash equivalents	363,013	192,464	(192,464)	**363,013**
Goodwill	11,270	46,742	(46,742)	**11,270**
Other intangible assets	80,516	70,146	(70,146)	**80,516**
Investments and associates	900	-	1,175,003	**1,175,903**
Other identifiable assets	402,340	1,349,376	(1,349,376)	**402,340**
Total assets	858,039	1,658,728	(483,725)	**2,033,042**
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.

(EUR thousand)	SIX MONTHS ENDED JUNE 30, 2016 FRONT-END	BACK-END 100%	DECONSOLIDATED	TOTAL
Net sales	281,161	757,629	(757,629)	**281,161**
Gross profit	123,272	276,136	(276,136)	**123,272**
Result from operations	35,474	84,515	(84,515)	**35,474**
Interest income (expenses)	1,980	(10,633)	10,633	**1,980**
Foreign currency exchange results	(3,199)	-	-	**(3,199)**
Result from investments in associates	-	-	9,144	**9,144**
Income taxes	(2,465)	(17,933)	17,933	**(2,465)**
Net earnings	31,790	55,949	(46,805)	**40,934**
Cash flows from operating activities	31,303	92,061	(92,061)	**31,303**
Cash flows from investing activities	(31,350)	(35,883)	43,118	**(24,115)**
Cash flows from financing activities	(83,175)	(17,123)	17,123	**(83,175)**
Cash and cash equivalents	370,116	319,939	(319,939)	**370,116**
Goodwill	11,270	49,716	(49,716)	**11,270**
Other intangible assets	93,308	67,970	(67,970)	**93,308**
Investments and associates	-	-	1,166,865	**1,166,865**
Other identifiable assets	382,014	606,265	(606,265)	**382,014**
Total assets	856,708	1,043,890	122,975	**2,023,573**
Total debt	-	295,862	(295,862)	**-**
Headcount in full-time equivalents [1]	1,609	14,567	(14,567)	**1,609**

[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 consistent 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, 2016								
Net sales	42,171	**73,870**	34,179	27,818	72,978	30,145	-	**281,161**
Property, plant & equipment	6,944	**37,549**	23,615	17,056	140	10,726	69	**96,099**
SIX MONTHS ENDED JUNE 30, 2015								
Net sales	55,973	**56,368**	103,203	79,142	42,263	25,992	-	**362,941**
Property, plant & equipment	7,967	**38,541**	18,632	13,373	120	11,178	20	**89,831**

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

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:

	SIX MONTHS ENDED JUNE 30,	
	2015	2016
Net earnings used for purposes of calculating net income per common share (EUR thousand)		
Net earnings from continuing operations, attributable to common shareholders	103,637	**40,934**
Basic weighted average number of shares outstanding during the year (thousands)	62,339	**61,156**
Effect of dilutive potential common shares from stock options and restricted shares	994	**531**
DILUTIVE WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING	**63,333**	**61,687**
Basic net earnings per share (EUR):		
from operations	1.66	**0.67**
Diluted net earnings per share (EUR):		
from operations	1.64	**0.66**

NOTE 8. RELATED PARTY TRANSACTIONS

The Company has a related party relationship with its subsidiaries, equity accounted investees and members of the Supervisory Board and the Management Board. Related party transactions are conducted on an at arm's length basis with terms comparable to transactions with third parties.

In May 2015 the company entered into an agreement with Levitech BV for the acquisition of certain patents for an amount of €3.3 million. Levitech BV is a 24% owned equity investment of ASMI.

The Group has no other significant transactions or outstanding balances with its equity-accounted investees other than its equity-interest holdings.

There have been no significant related party transactions or changes in related party transactions described in ASMI's 2015 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 2016 financial year.

CAUTIONARY NOTE

Cautionary Note Regarding Forward-Looking Statements: All matters discussed in this press release, except for any historical data, are forward-looking statements. Forward-looking statements involve risks and uncertainties that could cause actual results to differ materially from those in the forward-looking statements. These include, but are not limited to, economic conditions and trends in the semiconductor industry generally and the timing of the industry cycles specifically, currency fluctuations, corporate transactions, financing and liquidity matters, the success of restructurings, the timing of significant orders, market acceptance of new products, competitive factors, litigation involving intellectual property, shareholders or other issues, commercial and economic disruption due to natural disasters, terrorist activity, armed conflict or political instability, epidemics and other risks indicated in the Company's reports and financial statements. The Company assumes no obligation nor intends to update or revise any forward-looking statements to reflect future developments or circumstances.

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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