

**BE SEMICONDUCTOR INDUSTRIES N.V.**

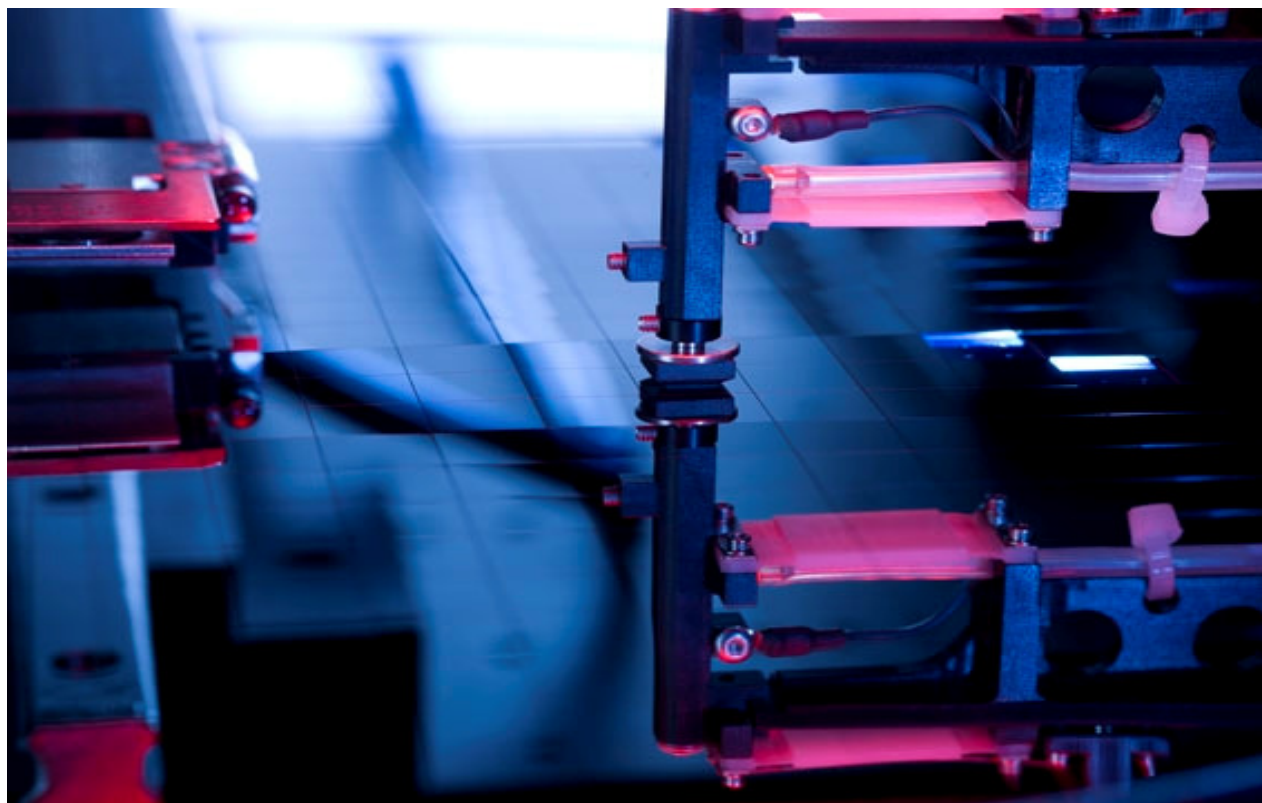
**DUIVEN, THE NETHERLANDS**

**UNAUDITED CONDENSED INTERIM CONSOLIDATED  
FINANCIAL STATEMENTS JUNE 30, 2012**

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## Semi-annual financial report



This report contains the semi-annual financial report of BE Semiconductor Industries N.V. ("Besi" or "the Company"), a Company which was incorporated in the Netherlands in May 1995 as the holding company for a worldwide business engaged in one line of business, the development, production, marketing and sales of back-end equipment for the semiconductor industry. Besi's principal operations are in the Netherlands, Switzerland, Austria, Asia and the United States. Besi's principal executive office is located at Ratio 6, 6921 RW Duiven, the Netherlands.

The semi-annual financial report for the six months ended June 30, 2012 consists of the condensed consolidated semi-annual financial statements, the semi-annual management report and responsibility statement by the Company's Board of Management. The information in this semi-annual financial report is unaudited.

The Board of Management of the Company hereby declares that to the best of their knowledge, the semi-annual financial statements, which have been prepared in accordance with IAS 34, "Interim Financial Reporting" as adopted by the European Union, give a true and fair view of the assets, liabilities, financial position and profit of the Company and the undertakings included in the consolidation taken as a whole, and the semi-annual management report 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).

Duiven, July 25, 2012

Richard W. Blickman  
President & CEO

Cor te Hennepe  
Senior Vice President Finance

## Management Report

### *Performance*

For the first half year of 2012, Besi's revenue decreased by € 38.2 million or 21.1% to € 142.8 million as compared to the first half year of 2011. The decline was across the portfolio but primarily focused on lower die attach shipments for mainstream electronics applications given global economic uncertainties in the second half year of 2011. In contrast, orders for the first half year of 2012 were € 175.4 million, up by € 4.6 million, or 2.7%, as compared to the first half year of 2011 reflecting improved industry conditions and increased demand for Besi's advanced packaging systems for tablet and smart phone end user applications.

For the first half year of 2012, Besi recorded net income of € 10.2 million versus € 18.4 million for the first half year of 2011. The profit reduction was due primarily to (i) significantly lower revenue and (ii) a higher effective tax rate (33.0% vs. 24.5%) due to the change in the profit mix of its European subsidiaries partially offset by a 14.3% reduction in selling, general and administrative expenses and lower production headcount due to Besi's cost control efforts.

At the end of the second quarter of 2012, Besi's cash and cash equivalents declined to € 77.3 million, a decrease of € 10.2 million versus December 31, 2011, while total debt and capital leases increased by € 3.1 million to € 27.9 million. As a result, net cash decreased by € 13.3 million to € 49.4 million. The net cash reduction in the first half year of 2012 was necessary to finance a € 26.2 million increase in accounts receivable and a € 6.1 million increase in inventories related to its revenue growth and order ramp in the first half year of 2012. Besi generated € 20.5 million of cash flow from operations (before changes in working capital) in the first half year of 2012 which along with € 3.0 million of bank borrowings and cash on hand were primarily utilized to fund (i) a € 21.0 million increase in working capital (ii) € 5.1 million of cash dividend payments, (iii) € 6.4 million of capitalized development spending and (iv) € 1.7 million of capital expenditures.

### *Risks and uncertainties*

In our Annual Report 2011, we have extensively described certain risk categories and risk factors, which could have a material adverse effect on our financial position and results. The Company believes that the risks identified for the second half of 2012 are in line with the risks that Besi presented in its Annual Report 2011.

In view of the increasing uncertainties in the euro zone resulting from the banking crisis, the Company reconsidered its cash positions held in various banks, in various European countries and decided to centralize its cash position in the Netherlands. At June 30, 2012, an amount of € 39.5 million (of the total gross cash position of € 77.3 million) was held by BE Semiconductor Industries N.V. on its Dutch bank accounts and currently this centrally held position amounts to € 49.7 million.

## Condensed Interim Consolidated Statement of Financial Position

<i>(euro in thousands)</i>	Note	June 30, 2012 (unaudited)	December 31, 2011 (audited)
<b>Assets</b>			
Cash and cash equivalents		77,272	87,484
Trade receivables		92,920	66,728
Inventories		79,470	73,348
Income tax receivable		788	989
Other receivables		6,638	5,518
Prepayments		3,873	2,584
<b>Total current assets</b>		<b>260,961</b>	<b>236,651</b>
Property, plant and equipment		25,744	26,506
Goodwill		44,247	44,062
Other intangible assets		31,264	27,818
Deferred tax assets		12,821	12,506
Other non-current assets		1,450	1,372
<b>Total non-current assets</b>		<b>115,526</b>	<b>112,264</b>
<b>Total assets</b>		<b>376,487</b>	<b>348,915</b>
<b>Liabilities and equity</b>			
Notes payable to banks		26,033	23,749
Current portion of long-term debt and financial leases		468	336
Trade payables		34,465	21,377
Income tax payable		5,916	1,320
Provisions		7,080	9,442
Other payables		9,231	13,118
Other current liabilities		13,899	8,342
<b>Total current liabilities</b>		<b>97,092</b>	<b>77,684</b>
Long-term debt and financial leases		1,403	695
Deferred tax liabilities		7,024	7,046
Other non-current liabilities	4	8,329	7,427
<b>Total non-current liabilities</b>		<b>16,756</b>	<b>15,168</b>
Issued capital		36,431	36,431
Share premium		190,500	190,741
Retained earnings		18,120	13,123
Foreign currency translation adjustment		21,092	19,085
Accumulated other comprehensive income (loss)		(4,677)	(4,339)
<b>Equity attributable to equity holders of the parent</b>		<b>261,466</b>	<b>255,041</b>
Non-controlling interest		1,173	1,022
<b>Total equity</b>	5	<b>262,639</b>	<b>256,063</b>
<b>Total liabilities and equity</b>		<b>376,487</b>	<b>348,915</b>

## Condensed Interim Consolidated Statement of Comprehensive Income

(euro in thousands, except share and per share data)	For the six months ended June 30,	
	2012 (unaudited)	2011 (unaudited)
Revenue	142,792	180,945
Cost of sales	84,658	107,543
<b>Gross profit</b>	<b>58,134</b>	<b>73,402</b>
Selling, general and administrative expenses	29,305	34,183
Research and development expenses	13,319	13,750
<b>Total operating expenses</b>	<b>42,624</b>	<b>47,933</b>
<b>Operating income</b>	<b>15,510</b>	<b>25,469</b>
Financial income	350	96
Financial expense	(603)	(1,211)
<b>Income before taxes</b>	<b>15,257</b>	<b>24,354</b>
Income tax (benefit)	5,040	5,965
<b>Net income</b>	<b>10,217</b>	<b>18,389</b>
Attributable to:		
Equity holders of the parent	10,090	18,274
Non-controlling interest	127	115
<b>Net income</b>	<b>10,217</b>	<b>18,389</b>
Other comprehensive income (loss):		
Exchange rate changes for the period	2,031	(1,813)
Unrealized hedging results	(338)	(147)
Other comprehensive income (loss) for the period, net of income tax	1,693	(1,960)
<b>Total comprehensive income (loss) for the period</b>	<b>11,910</b>	<b>16,429</b>
Total comprehensive income (loss) attributable to:		
Equity holders of the parent	11,759	16,363
Non-controlling interest	151	66
Income (loss) per share attributable to the equity holders of the parent		
Basic	0.27	0.54
Diluted	0.27 <sup>1</sup>	0.54
Weighted average number of shares used to compute income (loss) per share		
Basic	37,028,658	34,647,654
Diluted	37,385,166 <sup>1</sup>	34,647,654 <sup>2</sup>

<sup>1</sup> The calculation of the diluted income per share assumes the exercise of the equity settled share based payments.

<sup>2</sup> Reference is made to page 8 of this report. The total number of shares outstanding as of June 30, 2011, amounts to 40,033,921.

## Condensed Interim Consolidated Statement of Cash Flows

(euro in thousands)	For the six months ended June 30,	
	2012 (unaudited)	2011 (unaudited)
<b>Cash flows from operating activities:</b>		
Operating income	15,510	25,469
Depreciation, amortization and impairment	5,757	5,568
Loss (gain) on disposal of assets	1	(37)
Share based compensation expense	(241)	1,758
Other non-cash items	-	-
Effects of changes in working capital	(20,978)	(21,173)
Income tax received (paid)	(502)	(180)
Interest received	377	60
Interest paid	(385)	(1,083)
<b>Net cash provided by (used for) operating activities</b>	<b>(461)</b>	<b>10,382</b>
<b>Cash flows from investing activities:</b>		
Capital expenditures	(1,669)	(3,806)
Capitalized development expenses	(6,441)	(3,870)
Proceeds from sale of property, plant and equipment	-	40
<b>Net cash provided by (used for) investing activities</b>	<b>(8,110)</b>	<b>(7,636)</b>
<b>Cash flows from financing activities:</b>		
Proceeds from (payments on) bank lines of credit	2,267	(1,888)
Proceeds from (payments on) debts and financial leases	708	(846)
Dividend paid to shareholders	(5,093)	(5,097)
Purchase treasury shares	(109)	(1,496)
Other financing activities	-	-
<b>Net cash provided by (used for) financing activities</b>	<b>(2,227)</b>	<b>(9,327)</b>
Net change in cash and cash equivalents	(10,798)	(6,581)
Effect of changes in exchange rates on cash and cash equivalents	586	(918)
Cash and cash equivalents at beginning of the period	87,484	69,305
<b>Cash and cash equivalents at end of the period</b>	<b>77,272</b>	<b>61,806</b>

**Condensed Interim Consolidated Statement of Changes in Equity**  
(for the six months ended June 30)

(euro in thousands, except share data)	Number of Ordinary Shares outstanding <sup>1</sup>	Issued capital	Share premium	Retained earnings (deficit)	Accumulated other comprehensive income (loss)	Total attributable to equity holders of the parent	Non- controlling interest	Total equity
Balance at January 1, 2012	40,033,921	36,431	190,741	13,123	14,746	255,041	1,022	256,063
Exchange rate changes for the period	-	-	-	-	2,007	2,007	24	2,031
Unrealized hedging results	-	-	-	-	(338)	(338)	-	(338)
Other comprehensive income	-	-	-	-	1,669	1,669	24	1,693
Net income (loss)	-	-	-	10,090	-	10,090	127	10,217
Total comprehensive income for the period	-	-	-	10,090	1,669	11,759	151	11,910
Dividends to owners of the Company	-	-	-	(5,093)	-	(5,093)	-	(5,093)
Equity-settled share based payments expense	-	-	(241)	-	-	(241)	-	(241)
Balance at June 30, 2012 (unaudited)	40,033,921	36,431	190,500	18,120	16,415	261,466	1,173	262,639
Balance at January 1, 2011	34,128,517	31,057	180,456	(8,224)	14,955	218,244	768	219,012
Exchange rate changes for the period	-	-	-	-	(1,764)	(1,764)	(49)	(1,813)
Unrealized hedging results	-	-	-	-	(147)	(147)	-	(147)
Other comprehensive income	-	-	-	-	(1,911)	(1,911)	(49)	(1,960)
Net income (loss)	-	-	-	18,274	-	18,274	115	18,389
Total comprehensive income for the period	-	-	-	18,274	(1,911)	16,363	66	16,429
Shares bought and taken into treasury	-	-	(2,931)	-	-	(2,931)	-	(2,931)
Dividends to owners of the Company	307,875	280	(280)	(5,097)	-	(5,097)	-	(5,097)
Convertible bond converted into equity	5,597,529	5,094	22,423	-	-	27,517	-	27,517
Equity-settled share based payments expense	-	-	1,758	-	-	1,758	-	1,758
Balance at June 30, 2011 (unaudited)	40,033,921	36,431	201,426	4,953	13,044	255,854	834	256,688

<sup>1</sup> The outstanding number of Ordinary Shares includes 2,253,143 and 3,346,853 Treasury Shares at June 30, 2012 and January 1, 2012 respectively (654,602 at June 30, 2011 and 184,616 at January 1, 2011 respectively).



## **Notes to the Condensed Interim Consolidated Financial Statements**

### **1. Corporate information**

BE Semiconductor Industries N.V. ("Besi" or "the Company") was incorporated in the Netherlands in May 1995 as the holding company for a worldwide business engaged in one line of business, the development, production, marketing and sales of back-end equipment for the semiconductor industry. Besi's principal operations are in the Netherlands, Switzerland, Austria, Asia and the United States. Besi's principal executive office is located at Ratio 6, 6921 RW, Duiven, the Netherlands. Statutory seat of the Company is Amsterdam.

### **2. Basis of preparation and accounting policies**

#### **Statement of Compliance**

The condensed interim consolidated financial statements for the six months ended June 30, 2012 have been prepared in accordance with IAS 34 as adopted by the EU.

The accounting policies adopted are consistent with those applied in the IFRS consolidated financial statements for the year ended December 31, 2011.

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Besi's annual financial statements as at December 31, 2011.

### **3. Segment information**

The Company has changed its internal organizational structure and the management structure in 2009. The Company identifies four operating segments (Product Groups). Each Product Group is engaged in business activities from which it may earn revenues. Consequently, the Company has defined each Product Group as individual cash-generating unit. The four Product Groups are aggregated into a single reporting segment, the design, manufacturing, marketing and servicing of assembly equipment for the semiconductor's back-end segment. Since the Company operates in one segment and in one group of similar products and services, all financial segment information can be found in the Consolidated Financial Statements.

### **4. Other non-current liabilities**

The other non-current liabilities at June 30, 2012 primarily consist of the Company's Swiss and Austrian pension obligations amounting to € 5.5 million respectively € 0.4 million (at December 31, 2011, respectively € 5.4 million and € 0.3 million). The company recognizes actuarial gains and losses in accumulated other comprehensive income (loss). With respect to the revised standard IAS 19R, which will be applicable for reporting periods starting on or after January 1, 2013, the Company investigated the estimated impact on the Company's Consolidated Statement of Financial Position and the Consolidated Statement of Comprehensive Income. Based upon actuarial calculations, the impact on the Company's Consolidated Statement of Financial Position and the Consolidated Statement of Comprehensive Income has been considered as not significant.

### **5. Dividend**

In April 2012, the Company announced a dividend payment of € 0.22 per ordinary share. The dividend was payable, at the choice of the shareholder, either fully in cash or fully in the form of ordinary shares. The number of dividend rights per Besi ordinary share was fixed at 24.7 (the "Exchange Ratio"), based on a share price of € 5.531 (which is the volume weighted average share price of the Shares traded on NYSE Euronext Amsterdam on May 23, 24 and 25, 2012).

The Company distributed in aggregate 571,710 shares from the Company's treasury shares in connection with its dividend payment for the 2011 financial year to shareholders who opted to receive the dividend in Shares. In addition, the Company paid € 5.1 million to shareholders who opted to receive the dividend in cash.

## **Review report**

To: The Board of Management and the Supervisory Board of BE Semiconductor Industries N.V.

### ***Introduction***

We have reviewed the accompanying condensed interim consolidated financial statements of BE Semiconductor Industries N.V., Amsterdam, as set out on page 5 to 9, which comprises the condensed interim consolidated statement of financial position as at June 30, 2012, the condensed interim consolidated statements of comprehensive income, cash flows and changes in equity for the period of six months ended June 30, 2012 and the notes. The Board of Management is responsible for the preparation and presentation of these condensed interim consolidated financial statements in accordance with IAS 34, 'Interim Financial Reporting' as adopted by the European Union. Our responsibility is to express a conclusion on this interim financial information based on our review.

### ***Scope***

We conducted our review in accordance with Dutch law including standard 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with auditing standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### ***Conclusion***

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim consolidated financial statements as at June 30, 2012 are not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting', as adopted by the European Union.

Eindhoven, July 25, 2012

KPMG ACCOUNTANTS N.V.

M.J.A. Verhoeven RA