



**BE SEMICONDUCTOR INDUSTRIES N.V.**

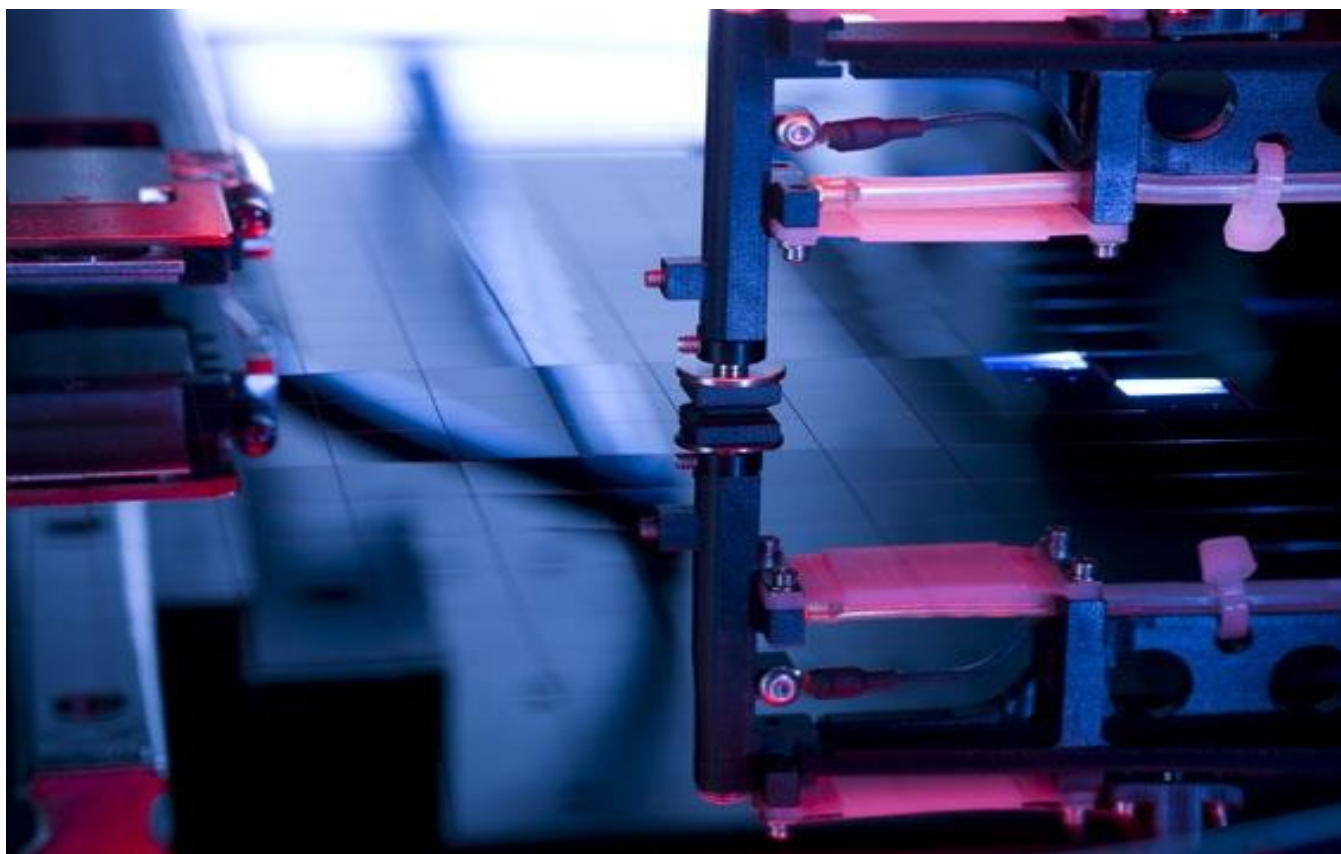
**DUIVEN, THE NETHERLANDS**

**UNAUDITED CONDENSED INTERIM CONSOLIDATED  
FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED JUNE  
30, 2015**

## Contents Unaudited Condensed Interim Consolidated Financial Statements June 30, 2015

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## Report of the Board of Management



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, 2015 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).

## *Performance*

For the first half year of 2015, Besi's revenue increased by € 13.0 million or 7% to € 199.2 million as compared to the first half year of 2014. This revenue increase was broad based including growth in TCB die attach shipments for memory applications, die sorting systems for high end server applications, trim and form and epoxy die attach systems for automotive applications and plating systems for solar applications. The revenue growth was partly offset by a significant decline in flip chip die attach, ultra-thin molding and multi module die attach systems for high end smart phone and other advanced packaging applications.

Orders for the first half year of 2015 were € 196.1 million, down by € 39.2 million, or 16.7%, as compared to the first half year of 2014.

For the first half year of 2015, Besi recorded net income of € 33.0 million versus € 29.9 million for the first half year of 2014. Revenue growth, a 5.5 point year over year gross margin improvement (4.8 points ex-restructuring benefit) aided profit development in the period. Such positive factors were offset primarily by a € 15.0 million increase in operating expenses (ex-restructuring benefits) principally due to (i) an € 8.5 million increase in R&D levels primarily higher TCB associated development costs, (ii) € 2.4 related to increased incentive compensation costs and (iii) € 3.4 million related to the upward valuation of the CHF vs. the euro. H1-15 net income was also adversely affected by a slight rise in the effective tax rate vs. H1-14 due to the absence of a deferred tax benefit recorded in Q2-14.

At the end of the second quarter of 2015, Besi's cash and cash equivalents declined to € 113.7 million, a decrease of € 21.6 million versus December 31, 2014, while total debt and capital leases increased by € 5.0 million to € 22.3 million. As a result, net cash decreased by € 26.6 million to € 91.4 million. Operating income generated during H1 -15 of € 39.1 million was principally utilized to fund working capital requirements of € 14.9 million, primarily a € 13.8 million increase in accounts receivable. As such cash flow from operations in H1-15 was € 34.3 million which together with cash on hand was used to fund (i) € 56.9 million of cash dividend to shareholders, (ii) € 2.9 millions of capitalized development spending and (iii) € 2.5 millions of capital expenditures.

## *Risks and uncertainties*

In our Annual Report 2014, 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 2015 are in line with the risks that Besi presented in its Annual Report 2014.

Demand for semiconductor devices and expenditures for the equipment required to assemble semiconductors is highly cyclical, depending in large part on levels of demand worldwide for smart phones, tablets and other personal productivity devices, computing and peripheral equipment and automotive and industrial components, as well as the production capacity of global semiconductor manufacturers. Furthermore, a rise or fall in the level of sales of semiconductor equipment typically lags any downturn or recovery in the semiconductor market by approximately three to six months due to the lead times associated with the production of semiconductor equipment.

Looking forward we see Q3-15 sequential revenue decreasing by 15-20% consistent with historical seasonal trends and reflecting less favorable industry conditions which began at the end of Q2-15. Based on customer feedback, potential Q3-15 order trends are difficult to estimate currently and could be either up or down sequentially vs. Q2-15. Despite such uncertainty, we anticipate generating strong levels of profits and cash flow in H2-15 in an environment less favorable than 2014.

Duiven, July 22, 2015

Richard W. Blickman  
President & CEO

## Condensed Interim Consolidated Statement of Financial Position

<i>(euro in thousands)</i>	Note	June 30, 2015 (unaudited)	December 31, 2014 (audited)
<b>Assets</b>			
Cash and cash equivalents		113,694	135,322
Trade receivables		106,966	93,248
Inventories		72,154	69,428
Income tax receivable		295	280
Other receivables		6,191	6,363
Prepayments		2,579	4,305
<b>Total current assets</b>		<b>301,879</b>	<b>308,946</b>
Property, plant and equipment		27,834	27,248
Goodwill		45,307	44,553
Other intangible assets		44,511	40,274
Deferred tax assets		19,851	21,710
Other non-current assets		1,731	1,677
<b>Total non-current assets</b>		<b>139,234</b>	<b>135,462</b>
<b>Total assets</b>		<b>441,113</b>	<b>444,408</b>
<b>Liabilities and equity</b>			
Notes payable to banks		18,777	13,568
Current portion of long-term debt and financial leases		471	815
Trade payables		39,301	38,381
Income tax payable		609	486
Provisions		7,864	6,931
Other payables		19,961	24,221
Other current liabilities		7,237	7,591
<b>Total current liabilities</b>		<b>94,220</b>	<b>91,993</b>
Long-term debt and financial leases		3,074	2,978
Deferred tax liabilities		5,901	5,956
Other non-current liabilities		11,045	14,657
<b>Total non-current liabilities</b>		<b>20,020</b>	<b>23,591</b>
Issued capital		36,431	36,431
Share premium		197,668	193,562
Retained earnings		61,957	85,815
Foreign currency translation adjustment		38,189	21,103
Accumulated other comprehensive income (loss)		(9,011)	(9,615)
<b>Equity attributable to equity holders of the parent</b>		<b>325,234</b>	<b>327,296</b>
Non-controlling interest		1,639	1,528
<b>Total equity</b>	<b>5</b>	<b>326,873</b>	<b>328,824</b>
<b>Total liabilities and equity</b>		<b>441,113</b>	<b>444,408</b>

## Condensed Interim Consolidated Statement of Comprehensive Income

<i>(euro in thousands, except share and per share data)</i>	For the six months ended June 30,	
	2015	2014
	(unaudited)	(unaudited)
Revenue	199,231	186,224
Cost of sales	102,804	106,323
<b>Gross profit</b>	<b>96,427</b>	<b>79,901</b>
Selling, general and administrative expenses	37,983	32,994
Research and development expenses	19,350	13,125
<b>Total operating expenses</b>	<b>57,333</b>	<b>46,119</b>
<b>Operating income</b>	<b>39,094</b>	<b>33,782</b>
Financial income	287	310
Financial expense	(1,718)	(926)
<b>Income before taxes</b>	<b>37,663</b>	<b>33,166</b>
Income tax (benefit)	4,671	3,276
<b>Net income</b>	<b>32,992</b>	<b>29,890</b>
Attributable to:		
Equity holders of the parent	33,019	29,790
Non-controlling interest	(27)	100
<b>Net income</b>	<b>32,992</b>	<b>29,890</b>
Other comprehensive income (loss): (will be reclassified subsequently to profit and loss when specific conditions are met)		
Exchange rate changes for the period	17,086	1,720
Actuarial gain (loss) net of income tax	271	-
Unrealized hedging results	333	(118)
Other comprehensive income (loss) for the period, net of income tax	17,690	1,602
<b>Total comprehensive income (loss) for the period</b>	<b>50,682</b>	<b>31,492</b>
Total comprehensive income (loss) attributable to:		
Equity holders of the parent	50,571	31,410
Non-controlling interest	111	82
Income (loss) per share attributable to the equity holders of the parent		
Basic	0.87	0.80
Diluted	0.86 <sup>1</sup>	0.79 <sup>1</sup>
Weighted average number of shares used to compute income (loss) per share		
Basic	37,829,639	37,391,896
Diluted	38,404,501 <sup>1</sup>	37,790,904 <sup>1</sup>

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

## Condensed Interim Consolidated Statement of Cash Flows

<i>(euro in thousands)</i>	For the six months ended June 30,	
	2015	2014
	(unaudited)	(unaudited)
<b>Cash flows from operating activities:</b>		
Operating income	39,094	33,782
Depreciation, amortization and impairment	6,877	4,749
Loss (gain) on disposal of assets	-	9
Share based compensation	3,707	2,330
Gain on curtailment	(5,520)	-
Other non-cash items	380	223
Effects of changes in working capital	(10,101)	(30,796)
Income tax received (paid)	(977)	(486)
Interest received	462	369
Interest paid	(167)	(94)
<b>Net cash provided by (used for) operating activities</b>	<b>33,755</b>	<b>10,086</b>
<b>Cash flows from investing activities:</b>		
Capital expenditures	(2,514)	(1,997)
Capitalized development expenses	(2,872)	(5,234)
Proceeds from sale of property, plant and equipment	-	18
<b>Net cash provided by (used for) investing activities</b>	<b>(5,386)</b>	<b>(7,213)</b>
<b>Cash flows from financing activities:</b>		
Proceeds from (payments on) bank lines of credit	5,099	2,340
Proceeds from (payments on) debts and financial leases	(248)	172
Dividend paid to shareholders	(56,877)	(12,402)
Re-issued treasury shares	399	1,123
<b>Net cash provided by (used for) financing activities</b>	<b>(51,627)</b>	<b>(8,767)</b>
Net change in cash and cash equivalents	(23,258)	(5,894)
Effect of changes in exchange rates on cash and cash equivalents	1,630	102
Cash and cash equivalents at beginning of the period	135,322	89,586
<b>Cash and cash equivalents at end of the period</b>	<b>113,694</b>	<b>83,794</b>

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

<i>(euro in thousands, except share data)</i>	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, 2015	40,033,921	36,431	193,562	85,815	11,488	327,296	1,528	328,824
Exchange rate changes for the period	-	-	-	-	17,086	17,086	138	17,224
Actuarial gain (loss)	-	-	-	-	271	271	-	271
Unrealized hedging results	-	-	-	-	333	333	-	333
Other comprehensive income	-	-	-	-	17,690	17,690	138	17,828
Net income (loss)	-	-	-	33,019	-	33,019	(27)	32,992
Total comprehensive income for the period	-	-	-	33,019	17,690	50,709	111	50,820
Dividends to owners of the Company	-	-	-	(56,877)	-	(56,877)	-	(56,877)
Re-issued Treasury Shares	-	-	399	-	-	399	-	399
Equity-settled share based payments	-	-	3,707	-	-	3,707	-	3,707
Balance at June 30, 2015 (unaudited)	40,033,921	36,431	197,668	61,957	29,178	325,234	1,639	326,873
Balance at January 1, 2014	40,033,921	36,431	188,570	27,333	10,631	262,965	1,193	264,158
Exchange rate changes for the period	-	-	-	-	1,738	1,738	(18)	1,720
Unrealized hedging results	-	-	-	-	(118)	(118)	-	(118)
Other comprehensive income	-	-	-	-	1,620	1,620	(18)	1,602
Net income (loss)	-	-	-	29,790	-	29,790	100	29,890
Total comprehensive income for the period	-	-	-	29,790	1,620	31,410	82	31,492
Dividends to owners of the Company	-	-	-	(12,402)	-	(12,402)	-	(12,402)
Re-issued Treasury Shares	-	-	1,123	-	-	1,123	-	1,123
Equity-settled share based payments	-	-	2,330	-	-	2,330	-	2,330
Balance at June 30, 2014 (unaudited)	40,033,921	36,431	192,023	44,721	12,251	285,426	1,275	286,701

<sup>1</sup> The outstanding number of Ordinary Shares includes 1,944,686 and 2,321,381 Treasury Shares at June 30, 2015 and January 1, 2015 respectively (2,455,430 at June 30, 2014 and 2,726,955 at January 1, 2014 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, 2015 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, 2014.

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, 2014.

#### **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.

### **3. Dividend**

In April 2015, the Company announced a dividend payment of € 1.50 per ordinary share. The dividend was payable fully in cash.

The Company paid an amount of € 56.9 million to shareholders.

#### 4. Financial instruments

The fair values of financial assets and financial liabilities, together with the carrying amounts in the condensed consolidated statements of financial position, are as follows,

June 30, 2015  
(unaudited)

(euro in thousands)	Carrying amount	Fair value
<i>Financial assets</i>		
Cash and cash equivalents	113,694	113,694
Trade receivables	106,966	106,966
Forward exchange contracts	297	297
Other receivables	5,894	5,894
<b>Total</b>	<b>226,851</b>	<b>226,851</b>
<i>Financial liabilities</i>		
Notes payable to banks	18,777	18,777
Current portion of long-term debt and financial leases	471	471
Trade payables	39,301	39,301
Forward exchange contracts	731	731
Other payables	19,230	19,230
Long-term debt and financial leases	3,074	3,074
<b>Total</b>	<b>81,584</b>	<b>81,584</b>

The only recurring fair value measurement is the valuation of forward exchange contracts for hedging purposes. According to IFRS 13 this measurement is categorized as Level 2. The fair value measurement is based on observable calculations. Non recurring fair value measurements were not applicable in the reporting period.

#### 5. Long term incentive plans

##### Summary of outstanding Performance Shares

Following is a summary of changes Performance Shares:

	HY 2015	2014
Outstanding, beginning of year	648,204	701,236
Performance Shares granted	192,266	277,324
Shares discretionary granted to Board	60,000	20,000
Shares discretionary granted to Non- Board	49,737	39,798
Performance Shares settled in equity instruments (reissued from Treasury Shares)	(235,208)	(183,876)
Performance shares settled in cash	-	(5,702)
Performance Shares forfeited	(9,467)	(140,778)
Shares reissued from Treasury Shares by the Company upon vesting	(109,737)	(59,798)
<b>Outstanding, end of year</b>	<b>595,795</b>	<b>648,204</b>

The market price of the Company's Ordinary Shares at the date of grant in 2015 was € 25.50 and, respectively, € 12.30 for the grants in 2014. At the date of grant of additional Shares to the current member of the Board of Management, the market price of the Company's Ordinary Shares was € 17.95 (2014: € 8.97).

The following table shows the aggregate number of Performance Shares conditionally awarded to the current member of the Board of Management, in accordance with the Besi Incentive Plan 2011-2016:

Performance Shares	Year of grant	Three-year performance period	Number of PSs
R.W. Blickman	2013	2013-2015	82,626
	2014	2014-2016	54,526
	2015	2015-2017	33,070
<b>Total</b>			<b>170,222</b>

The following table shows the number of Performance Shares conditionally awarded to key employees, in accordance with the Besi LTI Plan 2011-2016:

Performance Shares	Year of grant	Three-year performance period	Number of PSs
Key employees	2013	2013-2015	253,764
Key employees	2014	2014-2016	224,441
Key employees	2015	2015-2017	138,254
<b>Total</b>			<b>616,459</b>

The expenses related to share-based payment plans are as follows:

(euro in thousands)	Six months ended June 30,	
	2014	2013
Performance Shares granted and delivered to the Board of Management	1,050	179
Performance Shares Board of Management LTI plan	604	963
Performance Shares granted and delivered key employees	870	-
Performance Shares relating to the LTI key employees	1,183	1,188
<b>Total expense recognized as employee costs</b>	<b>3,707</b>	<b>2,330</b>

The expenses have been calculated based on the same assumptions as described in the annual report of 2014.

### Summary of outstanding stock options

Following is a summary of changes in Besi options:

	Number of options	2015 Weighted average exercise price (in euro)	Number of options	2014 Weighted average exercise price (in euro)
<i>Equity-settled option plans</i>				
Outstanding, beginning of year	54,461	17.90	216,361	11.02
Options expired	-	-	-	-
Options exercised	30,500	13.14	161,900	6.94
Options forfeited	-	-	-	-
<b>Outstanding and exercisable, end of year</b>	<b>23,961</b>	<b>13.14</b>	<b>54,461</b>	<b>17.90</b>

In HY-1 30,500 options were exercised. This resulted in a onetime gain of € 213 as the loans related to these stock options have been repaid and the accrual for the fiscal implication of this arrangement could be released.

## 6 Restructuring Switzerland

On February 28, 2015 Besi announced the transfer of certain software engineering, logistics and related administrative functions and personnel from its Swiss die attach operations to its Singapore die attach applications engineering facility. This action resulted in a net pre-tax restructuring benefit of € 3.7 million which consisted of a pension related gain of € 5.3 million associated with the headcount reduction plan partially offset

by restructuring charges of € 1.6 million primarily related to severance charges. The transfer is expected to occur by the end of 2015. The transfer will result in headcount reduction at the Cham, Switzerland facility and is not anticipated to result in a material change to aggregate headcount. It will also lead to an acceleration of Besi's supply chain transfer to its Asian operations in light of the significant increase in the value of the CHF vs. the euro in 2015.

**Review report**

To: the Shareholders and 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, which comprises the condensed statement of financial position as at June 30, 2015, the condensed interim consolidated statements of comprehensive income, condensed interim consolidated statement of changes in equity, and condensed interim consolidated statement of cash flows for the period of 6 months ended June 30, 2015, and the notes. Management is responsible for the preparation and presentation of this consolidated interim financial information 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 consolidated interim financial information as at June 30, 2015, is not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting', as adopted by the European Union.

Amsterdam, July 22, 2015

Deloitte Accountants B.V.

B.C.J. Dielissen