BE SEMICONDUCTOR INDUSTRIES N.V.

DUIVEN, THE NETHERLANDS

UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS JUNE 30, 2011

Contents unaudited condensed interim consolidated financial statements June 30, 2011

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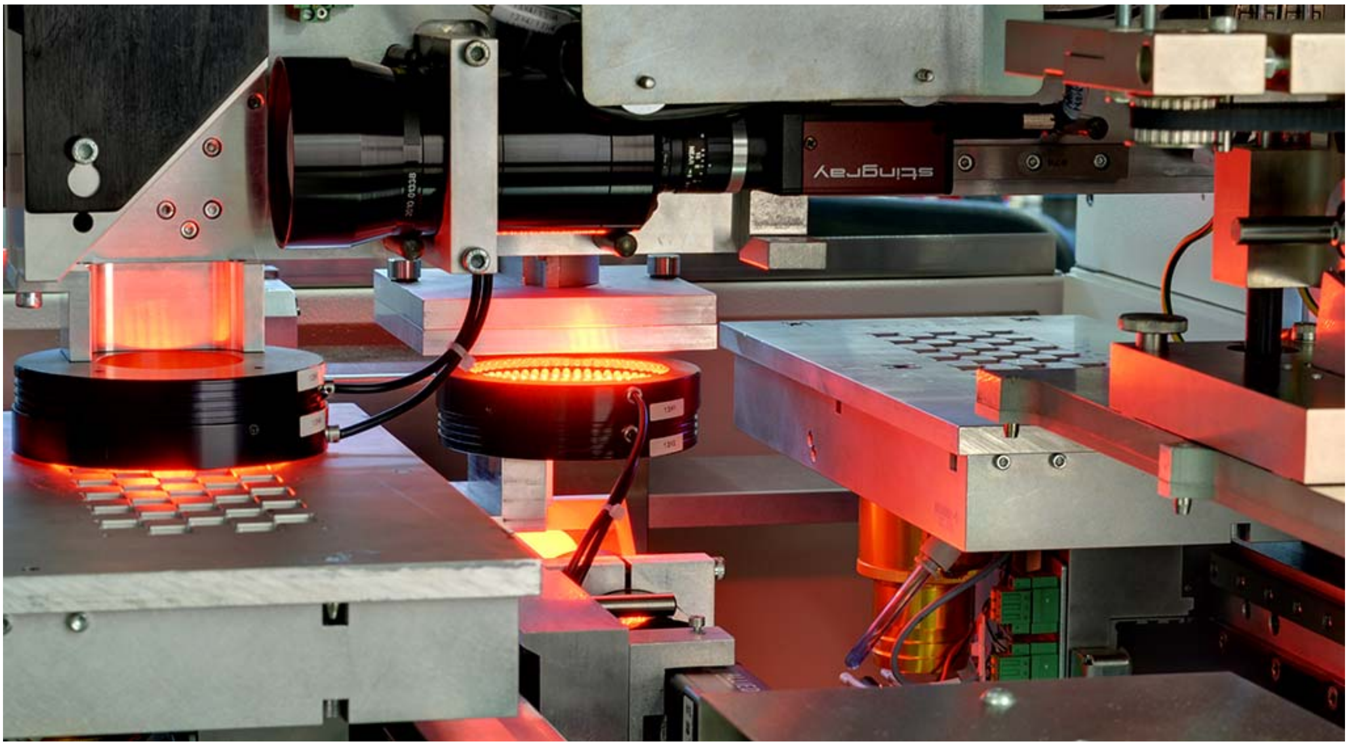
Semi-annual financial report



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, 2011 consists of the condensed consolidated semi-annual financial statements, the semi-annual management report and responsibility statement by the Company's Management Board. The information in this semi-annual financial report is unaudited.

The Management Board 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 27, 2011

Richard W. Blickman
President & CEO

Cor te Hennepe
Senior Vice President Finance

Management Report

Performance

For the first half year of 2011, Besi's revenue increased by € 34.9 million or 23.9% to € 180.9 million as compared to the first half year of 2010, primarily due to a significant increase in die attach shipments, particularly for advanced packaging applications, partially offset by a decrease in wire bonding shipments. Orders for the first half year of 2011 were € 170.8 million, down by € 60.2 million, or 26.1%, as compared to a cyclical peak in orders which was reached in the first half year of 2010.

For the first half year of 2011, Besi recorded net income of € 18.4 million (€ 0.54 per share) a 43.8% increase versus € 12.8 million (or € 0.35 per share, diluted) for the first half year of 2010, while net margins increased to 10.2% versus 8.8% in the first half year of 2010. The net income improvement in the first half of 2011 was due primarily to significantly higher die attach revenue and gross margins from advanced packaging systems (both die bonding and packaging) and efficiencies resulting from Besi's ongoing Asian production transfer.

(€ millions)	**HY1-2011**	**HY1-2010**
Reported net income	**18.4**	**12.8**
Restructuring charges	-	5.0
Deferred tax write-up	-	(4.8)
Gain on debt retirement	-	(0.8)
Adjusted net income (loss)	**18.4**	**12.2**

Besi's net cash position increased by € 22.8 million between December 31, 2010 and June 30, 2011 to € 45.7 million primarily due to a € 30.3 million sequential decrease in debt outstanding. During the period, cash and cash equivalents decreased by € 7.5 million to € 61.8 million as operating income, depreciation, non cash items and exchange rate results of € 31.9 million generated were more than offset by (i) € 5.1 million of cash dividends paid to shareholders, (ii) € 2.7 million of bank and other debt retired, (iii) an investment in working capital of € 21.2 million, (iv) capitalized development spending of € 3.9 million, (v) net capital expenditures of € 3.8 million and (vi) the repurchase of shares with a value of € 1.5 million.

Risks and uncertainties

In our Annual Report 2010, 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 2011 are in line with the risks that Besi presented in its Annual Report 2010.

Additional risks currently not known to us, or currently believed not to be material, could later turn out to have a material impact on our business, objectives, revenues, income, assets, liquidity or capital resources.

During the second quarter of 2011, the Convertible Notes were converted into equity and with that, the Company improved its financing position. It made the Company less subject to the financial and market risk related to the refinancing of its Convertible Notes on January 28, 2012.

Condensed Interim Consolidated Statement of Financial Position

(euro in thousands)	Note	June 30, 2011 (unaudited)	December 31, 2010 (audited)
Assets			
Cash and cash equivalents		61,806	69,305
Trade receivables		84,234	86,889
Inventories		89,319	79,269
Income tax receivable		205	205
Other receivables		8,148	7,130
Prepayments		4,516	1,490
Total current assets		248,228	244,288
Property, plant and equipment		26,096	26,032
Goodwill		43,151	43,823
Other intangible assets		24,355	22,919
Deferred tax assets		10,343	12,131
Other non-current assets		1,343	1,291
Total non-current assets		105,288	106,196
Total assets		353,516	350,484
Liabilities and equity			
Notes payable to banks		13,947	16,038
Current portion of long-term debt and financial leases		1,457	2,186
Trade payables		38,243	42,626
Income tax payable		4,362	1,394
Provisions		10,109	10,298
Other payables		12,642	11,472
Other current liabilities		10,738	14,728
Total current liabilities		91,498	98,742
Convertible Notes	4	-	27,386
Long-term debt and financial leases		681	766
Deferred tax liabilities		557	656
Other non-current liabilities		4,092	3,922
Total non-current liabilities		5,330	32,730
Issued capital		36,431	31,057
Share premium		201,426	180,456
Retained earnings (deficit)		4,953	(8,224)
Foreign currency translation adjustment		14,135	15,899
Accumulated other comprehensive income (loss)		(1,091)	(944)
Equity attributable to equity holders of the parent		255,854	218,244
Non-controlling interest		834	768
Total equity	5, 6	256,688	219,012
Total liabilities and equity		353,516	350,484

Condensed Interim Consolidated Statement of Comprehensive Income

(euro in thousands, except share and per share data)	For the six months ended June 30, 2011 (unaudited)	2010 (unaudited)
Revenue	180,945	146,068
Cost of sales	107,543	92,529
Gross profit	73,402	53,539
Selling, general and administrative expenses	34,183	28,864
Research and development expenses	13,750	11,719
Total operating expenses	47,933	40,583
Operating income	25,469	12,956
Financial Income	96	2,066
Financial Expense	(1,211)	(3,408)
Income before taxes	24,354	11,614
Income tax (benefit)	5,965	(1,186)
Net income	18,389	12,800
Attributable to:		
Equity holders of the parent	18,274	12,674
Non-controlling interest	115	126
Net income	18,389	12,800
Other comprehensive income (loss)		
Exchange rate changes for the period	(1,813)	14,229
Unrealized hedging results	(147)	(260)
Other comprehensive income (loss) for the period, net of income tax	(1,960)	13,969
Total comprehensive income (loss) for the period	16,429	26,769
Total comprehensive income (loss) attributable to:		
Equity holders of the parent	16,363	26,546
Non-controlling interest	66	223
Income (loss) per share attributable to the equity holders of the parent		
Basic	0.54	0.38
Diluted	0.54	0.35[1]
Weighted average number of shares used to compute income (loss) per share		
Basic	34,647,654	33,856,065
Diluted	34,647,654	39,290,211[1]

[1] The calculation of the diluted income per share for the six months ended June 30, 2010 does assume conversion of the Company’s convertible notes due 2012 as such conversion would have a dilutive effect (5,434,146 ordinary shares).

Condensed Interim Consolidated Statement of Cash Flows

	For the six months ended June 30,	
(euro in thousands)	2011 (unaudited)	2010 (unaudited)
Cash flows from operating activities:		
Operating income	25,469	12,956
Depreciation, amortization and impairment	5,568	4,342
Loss (gain) on disposal of assets	(37)	-
Share based compensation expense	1,758	-
Other non-cash items	-	(604)
Effects of changes in working capital	(21,173)	(33,926)
Income tax received (paid)	(180)	336
Interest received	60	1,108
Interest paid	(1,083)	(1,523)
Net cash provided by (used for) operating activities	10,382	(17,311)
Cash flows from investing activities:		
Capital expenditures	(3,806)	(2,892)
Capitalized development expenses	(3,870)	(3,106)
Proceeds from sale of property, plant and equipment	40	100
Net cash provided by (used for) investing activities	(7,636)	(5,898)
Cash flows from financing activities:		
Proceeds from (payments on) bank lines of credit	(1,888)	4,202
Proceeds from (payments on) debts and financial leases	(846)	(1,839)
Dividend paid to shareholders	(5,097)	-
Purchase treasury shares	(1,496)	-
Repurchase of Convertible Notes	-	(7,352)
Other financing activities	-	(45)
Net cash provided by (used for) financing activities	(9,327)	(5,034)
Net change in cash and cash equivalents	(6,581)	(28,243)
Effect of changes in exchange rates on cash and cash equivalents	(918)	3,210
Cash and cash equivalents at beginning of the period	69,305	73,125
Cash and cash equivalents at end of the period	61,806	48,092

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[1]	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, 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
Balance at January 1, 2010	33,728,517	30,693	181,026	(55,214)	(722)	155,783	493	156,276
Exchange rate changes for the period	-	-	-	-	14,132	14,132	97	14,229
Unrealized hedging results	-	-	-	-	(260)	(260)	-	(260)
Other comprehensive income:	-	-	-	-	13,872	13,872	97	13,969
Net income (loss)	-	-	-	12,674	-	12,674	126	12,800
Total comprehensive income for the period	-	-	-	12,674	13,872	26,546	223	26,769
Shares issued	400,000	364	-	-	-	364	-	364
Shares taken into treasury	-	-	(364)	-	-	(364)		(364)
Equity component convertible	-	-	(45)	-	-	(45)	-	(45)
Equity-settled share based payments expense	-	-	166	-	-	166	-	166
Balance at June 30, 2010 (unaudited)	34,128,517	31,057	180,783	(42,540)	13,150	182,450	716	183,166

[1] The outstanding number of Ordinary Shares includes 654,602 and 184,616 Treasury Shares at June 30, 2011 and January 1, 2011 respectively (196,616 at June 30, 2010 and 85,456 at January 1, 2010 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.

2. Basis of preparation and accounting policies

Statement of Compliance
The condensed interim consolidated financial statements for the six months ended June 30, 2011 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, 2010.

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, 2010.

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. Convertible Notes

In May 2011, the Company called for early redemption of its 5.5% Convertible Notes due January 2012 (“the Notes”). The Notes were originally issued in a principal amount of € 46 million of which € 27.9 million principal amount was outstanding as of March 31, 2011. As of the close of trading on May 19, 2011, the aggregate principal amount of Notes outstanding was approximately € 25.2 million. All remaining holders of the 5.5% Notes due 2012 elected to exercise their conversion rights to receive Besi ordinary shares in exchange for Notes outstanding. The Note redemption resulted in the issuance of 5.6 million new Besi ordinary shares.

During the first half year 2010, the Company repurchased approximately € 8.5 million of its 5.5% Convertible Notes due January 2012 in an open market transaction through Morgan Stanley & Co. as agent. The Notes were purchased from an institutional investor at a net price of approximately € 7.4 million (88.0% of original principal amount). The Note repurchase resulted in a one-time pre-tax gain of approximately € 0.8 million in the first half year 2010.

5. Dividend

In April 2011, the Company announced a dividend payment of € 0.20 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 29.5 (the “Exchange Ratio”), based on a share price of € 6.005 (which is the volume weighted average share price of the Shares traded on NYSE Euronext Amsterdam on May 23, 24 and 25, 2011).

The Company issued in aggregate 307,875 new Shares in connection with its dividend payment for the 2010 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.

6. Share Repurchase Program

In May 2011, the Company announced that it may, depending on market conditions, elect to repurchase its Shares on the open market from time to time to help reduce share dilution resulting from the conversion of the Notes. The repurchase program is implemented in accordance with industry best practices and in compliance with European buyback rules and regulations. To this end, the Company has engaged an independent broker for the program and all purchases will be executed through NYSE Euronext Amsterdam.

The Company has authority to purchase up to 10% of the Shares outstanding (approximately 3.4 million Shares) until October 28, 2012. The maximum price to be paid per Share under the share repurchase program will not exceed the higher of the last independent trade price in the Shares and the highest current independent bid price of the Shares on NYSE Euronext Amsterdam. Furthermore, such price will not exceed 110% of the average of the highest quoted price for the Shares on the five trading days prior to the date of purchase, as published in the Daily Official List of NYSE Euronext Amsterdam.

Since June 6, 2011 and up to and including June 30, 2011, the Company has purchased a total of 507,696 of its ordinary shares at a weighted average price of € 5.77 for a total purchase amount of € 2.9 million.

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 10, which comprise the condensed interim consolidated statement of financial position as at June 30, 2011, the condensed interim consolidated statements of comprehensive income, condensed interim consolidated statement of cash flows, condensed interim consolidated statement of changes in equity for the period of six months ended June 30, 2011 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, 2011 are not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting', as adopted by the European Union.

Eindhoven, July 27, 2011

KPMG ACCOUNTANTS N.V.

M.J.A. Verhoeven RA