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**ASM INTERNATIONAL REPORTS
 SECOND QUARTER 2008 OPERATING RESULTS**

BILTHOVEN, THE NETHERLANDS, July 31, 2008 - **ASM International N.V.** (NASDAQ: ASMI and Euronext Amsterdam: ASM) reports today its second quarter 2008 operating results in accordance with US GAAP.

- *Net sales of the second quarter of 2008 were EUR 209.4 million, up 6% from the first quarter of 2008 and down 18% from the second quarter of 2007.*
- *Net earnings of the second quarter of 2008 were EUR 9.6 million, or EUR 0.18 diluted net earnings per share, as compared to net earnings of EUR 12.6 million, or EUR 0.22 diluted net earnings per share for the first quarter of 2008 and net earnings of EUR 14.9 million, or EUR 0.26 diluted net earnings per share for the second quarter of 2007.*
- *Bookings in the second quarter of 2008 were EUR 193.3 million, up 3% from the first quarter of 2008. Bookings from our Front-end segment were down 20% and bookings from our Back-end segment were up 19%. Quarter-end backlog was EUR 174.5 million, down 8% from the end of the previous quarter.*
- *We have signed a letter of intent to sell our majority owned subsidiary NanoPhotonics AG, in accordance with our Roadmap to Front-end Peer Group Profitability. In the second quarter of 2008 we recorded an impairment charge of EUR 1.4 million related to goodwill of our investment in NanoPhotonics.*

Commenting on the 2008 second quarter operating results, Chuck del Prado, President and Chief Executive Officer of ASM International, said, “The contraction in demand for wafer processing equipment in the second quarter was largely due to the impact of the severely weakened global economic sentiment on top of the already stagnant customer ordering patterns. Although we have made substantial progress this year in driving down breakeven levels, the low level of bookings and billings in recent months necessarily had a material impact on Front-end operating margins.”

“Despite this protracted market weakness which has been well-documented by industry participants, we remain diligent in implementing our Roadmap to reach Peer Group Profitability in 2009, and increasing long-term value for all our shareholders. We are confident that ASMI’s strategy and established technology leadership are positioning Front-end operations for solid growth as the industry recovers in 2009 and beyond.”

“On a bright note,” he continued, “Our Back-end operations turned in a stellar performance, once again outperforming the global assembly and packaging market. Revenues in Back-end increased 17%, and profitability improved in line with that. At the core of Back-end’s success is its unique vertically-integrated business model, and to confirm the company’s confidence in the model’s long-term viability, Back-end has made significant investment in capacity expansion in recent quarters.”

Three months ended June 30, 2008.

The following table shows the operating performance for the second quarter of 2008 as compared to the first quarter of 2008 and the second quarter of 2007:

(EUR millions, except earnings per share)					
	Q2 2007	Q1 2008	Q2 2008	% Change Q1 2008 to Q2 2008	% Change Q2 2007 to Q2 2008
Net sales	254.7	197.1	209.4	6 %	(18)%
Gross profit	96.9	76.4	81.2	6 %	(16)%
<i>Gross profit margin %</i>	38.0%	38.8%	38.8%	-	0.8% ⁽¹⁾
Selling, general and administrative expenses	(32.9)	(29.1)	(31.8)	9 %	(3)%
Research and development expenses	(21.5)	(18.9)	(18.4)	(2)%	(14)%
Amortization of other intangible assets	(0.1)	(0.1)	(0.1)	(7)%	(16)%
Impairment of goodwill	-	-	(1.4)	na	na
Earnings from operations	42.4	28.3	29.5	4 %	(30)%
Net earnings	14.9	12.6	9.6	(24)%	(36)%
Diluted net earnings per share	0.26	0.22	0.18		
New orders	226.9	187.3	193.3	3 %	(15)%
Backlog at end of period	242.6	190.6	174.5	(8)%	(28)%

(1) Percentage point change

Net Sales. The following table shows net sales of our Front-end and Back-end segments for the second quarter of 2008 as compared to the first quarter of 2008 and the second quarter of 2007:

	Q2 2007	Q1 2008	Q2 2008	% Change Q1 2008 to Q2 2008	% Change Q2 2007 to Q2 2008
(EUR millions)					
Front-end	120.4	83.9	77.2	(8)%	(36)%
Back-end	134.3	113.2	132.2	17 %	(2)%
Total net sales	254.7	197.1	209.4	6 %	(18)%

In the second quarter of 2008, net sales of wafer processing equipment (Front-end segment) represented 36.9% of total net sales. Net sales of assembly and packaging equipment and materials (Back-end segment) represented 63.1% of total net sales in the second quarter of 2008.

The decrease of net sales of our Front-end segment was noticed in all product lines except for increased sales of Transistor Products, and sales of Epitaxy products being stable. We experienced in particular a decrease in the DRAM market in Taiwan.

Market penetration of ALD technology based Transistor Products is progressing well.

The weakening of the Yen, US dollar and US dollar related currencies against the euro in the second quarter of 2008 as compared to the first quarter of 2008 and the second quarter of 2007 impacted total net sales negatively by 3% and 11% respectively.

Gross Profit Margin. The following table shows our gross profit and gross profit margin for Front-end and Back-end segments for the second quarter of 2008 as compared to the first quarter of 2008 and the second quarter of 2007:

	Gross profit	Gross profit	Gross profit	Gross profit margin	Gross profit margin	Gross profit margin	Increase or (decrease) percentage points Q1 2008 to Q2 2008	Increase or (decrease) percentage points Q2 2007 to Q2 2008
(EUR millions)	Q2 2007	Q1 2008	Q2 2008	Q2 2007	Q1 2008	Q2 2008		
Front-end	38.5	28.6	24.6	32.0%	34.0%	31.9%	(2.1)	(0.1)
Back-end	58.4	47.8	56.6	43.5%	42.2%	42.8%	0.6	(0.7)
Total gross profit	96.9	76.4	81.2	38.0%	38.8%	38.8%	-	0.8

The gross profit margin of our Front-end segment decreased from the first quarter of 2008 mainly due to decreased utilization of capacity and a one-off decrease of the gross margin of our Vertical Furnace products.

The gross profit margin of our Back-end segment increased from the first quarter of 2008 driven by increased utilization of capacity.

Selling, General and Administrative Expenses. The following table shows selling, general and administrative expenses for our Front-end and Back-end segments for the second quarter of 2008 as compared to the first quarter of 2008 and the second quarter of 2007:

	Q2 2007	Q1 2008	Q2 2008	% Change Q1 2008 to Q2 2008	% Change Q2 2007 to Q2 2008
(EUR millions)	Q2 2007	Q1 2008	Q2 2008	Q2 2008	Q2 2008
Front-end	19.2	16.5	17.9	8 %	(7)%
Back-end	13.7	12.6	13.9	11 %	1 %
Total selling, general and administrative expenses	32.9	29.1	31.8	9 %	(3)%

The selling, general and administrative expenses of our Front-end segment increased from the first quarter of 2008. Increased corporate expenses related to discussions with shareholders were an important driver.

As a percentage of net sales, selling, general and administrative expenses were 15% in the second quarter of 2008, 15% in the first quarter of 2008 and 13% in the second quarter of 2007.

Research and Development Expenses. The following table shows research and development expenses for our Front-end and Back-end segments for the second quarter of 2008 as compared to the first quarter of 2008 and the second quarter of 2007:

	Q2 2007	Q1 2008	Q2 2008	% Change Q1 2008 to Q2 2008	% Change Q2 2007 to Q2 2008
(EUR millions)	Q2 2007	Q1 2008	Q2 2008	Q2 2008	Q2 2008
Front-end	13.8	11.7	11.0	(6)%	(20)%
Back-end	7.7	7.2	7.4	4 %	(4)%
Total research and development expenses	21.5	18.9	18.4	(2)%	(14)%

The decrease in the Front-end segment from the first quarter of 2008 was mainly the result of the weakening of the Yen and US dollar against the euro.

As a percentage of net sales, research and development expenses were 9% in the second quarter of 2008, 10% in the first quarter of 2008 and 8% in the second quarter of 2007.

Earnings from Operations. The following table shows earnings from operations for our Front-end and Back-end segments for the second quarter of 2008 as compared to the first quarter of 2008 and the second quarter of 2007:

(EUR millions)	Q2 2007	Q1 2008	Q2 2008	% Change Q1 2008 to Q2 2008	% Change Q2 2007 to Q2 2008
Front-end	5.5	0.2	(5.8)	(2,801)%	(205)%
Back-end	36.9	28.1	35.3	25 %	(4)%
Total earnings from operations	42.4	28.3	29.5	4 %	(30)%

The decrease in the Front-end segment is the result of lower sales, at lower margins, and an impairment charge of EUR 1.4 million related to goodwill of our investment in NanoPhotonics. Excluding the impairment charge, earnings from operations of our Front-end segment amount to a loss of EUR 4.4 million.

The increase in the Back-end segment is in line with increased sales.

Net Earnings. The following table shows net earnings for our Front-end and Back-end segments for the second quarter of 2008 as compared to the first quarter of 2008 and the second quarter of 2007:

(EUR millions)	Q2 2007	Q1 2008	Q2 2008	% Change Q1 2008 to Q2 2008	% Change Q2 2007 to Q2 2008
Front-end	(3.1)	(1.1)	(6.8)	(540)%	(119)%
Back-end	18.0	13.7	16.4	21 %	(8)%
Total net earnings	14.9	12.6	9.6	(24)%	(36)%

Net earnings of our Front-end segment for the second quarter of 2008 include impairment charges of EUR 1.4 million related to goodwill of our investment in NanoPhotonics. Excluding the impairment charge, net earnings of our Front-end segment amount to a loss of EUR 5.4 million.

Net earnings of our Front-end segment for the second quarter of 2007 include expenses resulting from the early extinguishment of convertible debt of EUR 5.9 million. Excluding the expense resulting from the early extinguishment of convertible debt, our Front-end segment achieved positive net earnings in the second quarter of 2007 of EUR 2.8 million.

Net earnings for the Back-end segment reflect our 53.1% ownership of ASM Pacific Technology.

Six months ended June 30, 2008.

The following table shows the operating performance and the percentage change for the six months ended June 30, 2008 compared to the same period in 2007:

(EUR millions, except earnings per share)	Six months ended June 30,		
	2007	2008	% Change
Net sales	464.8	406.5	(13)%
Gross profit margin	169.7	157.6	(7)%
<i>Gross profit margin %</i>	36.5%	38.8%	2.3 (1)
Selling, general and administrative expenses	(62.8)	(60.9)	(3)%
Research and development expenses	(41.3)	(37.3)	(10)%
Amortization of other intangible assets	(0.3)	(0.2)	(14)%
Impairment of goodwill	-	(1.4)	na
Earnings from operations	65.3	57.8	(12)%
Net earnings	26.1	22.2	(15)%
Diluted net earnings per share	0.46	0.41	
New orders	473.1	380.6	(20)%
Backlog at the end of period	242.6	174.5	(28)%

(1) Percentage points change.

Net Sales. The following table shows net sales for the Front-end and Back-end segments and the percentage change for the six months ended June 30, 2008 compared to the same period in 2007:

(EUR millions)	Six months ended June 30,		
	2007	2008	% Change
Front-end	236.7	161.1	(32)%
Back-end	228.1	245.4	8%
Total net sales	464.8	406.5	(13)%

In the six months ended June 30, 2008, net sales of wafer processing equipment (Front-end segment) represented 39.6% of total net sales. Net sales of assembly and packaging equipment and materials (Back-end segment) represented 60.4% of total net sales.

The weakening of the Yen, US dollar and US dollar related currencies against the euro in the six months ended June 30, 2008 compared to the six months ended June 30, 2007 impacted net sales negatively by 10%.

Gross Profit Margin. The following table shows the gross profit margin for Front-end and Back-end segments and the percentage point change for the six months ended June 30, 2008 compared to the same period in 2007:

(EUR millions)	Six months ended June 30,				Increase or (decrease) percentage points
	2007	2008	2007	2008	
Front-end	73.5	53.2	31.0%	33.0%	2.0
Back-end	96.2	104.4	42.2%	42.6%	0.4
Total gross profit	169.7	157.6	36.5%	38.8%	2.3

The gross profit margin of our Front-end segment increased due to changes in the product mix and the results from cost reduction programs which have been implemented since the third quarter of 2007.

The gross profit margin of our Back-end segment increased driven by increased utilization of capacity.

Selling, General and Administrative Expenses. The following table shows selling, general and administrative expenses for Front-end and Back-end segments and the percentage change for the six months ended June 30, 2008 compared to the same period in 2007:

(EUR millions)	Six months ended June 30,		
	2007	2008	% Change
Front-end	37.3	34.4	(8)%
Back-end	25.5	26.5	4 %
Total selling, general and administrative expenses	62.8	60.9	(3)%

As a percentage of net sales, selling, general and administrative expenses were 15% in the first half of 2008, compared to 14% in the first half of 2007.

Research and Development Expenses. The following table shows research and development expenses for Front-end and Back-end segments and the percentage change for the six months ended June 30, 2008 compared to the same period in 2007:

(EUR millions)	Six months ended June 30,		
	2007	2008	% Change
Front-end	26.9	22.7	(16)%
Back-end	14.4	14.6	2 %
Total research and development expenses	41.3	37.3	(10)%

As a percentage of net sales, research and development expenses were 9% in both the first half of 2008 and the first half of 2007.

Earnings from Operations. The following table shows earnings from operations for the Front-end and Back-end segments and the percentage change for the six months ended June 30, 2008 compared to the same period in 2007:

(EUR millions)	Six months ended June 30,		
	2007	2008	% Change
Front-end	8.9	(5.6)	na
Back-end	56.4	63.4	12%
Consolidated earnings from operations	65.3	57.8	(12)%

Earnings from operations for the Front-end segment for the first half of 2008 include impairment charges of EUR 1.4 million related to goodwill of our investment in NanoPhotonics.

Net Earnings. The following table shows net earnings for the Front-end and Back-end segments and the percentage change for the six months ended June 30, 2008 compared to the same period in 2007:

(EUR millions)	Six months ended June 30,		
	2007	2008	% Change
Front-end	(1.9)	(7.9)	(316)%
Back-end	28.0	30.1	8 %
Consolidated net earnings	26.1	22.2	(15)%

Net earnings of our Front-end segment for the first half of 2008 include impairment charges of EUR 1.4 million related to goodwill of our investment in NanoPhotonics. Excluding the impairment charge, net earnings of our Front-end segment amount to a loss of EUR 6.5 million.

Net earnings of our Front-end segment for the first half of 2007 include expenses resulting from the early extinguishment of convertible debt of EUR 5.9 million. Excluding the expense resulting from the early extinguishment of convertible debt, our Front-end segment achieved positive net earnings in the first half of 2007 of EUR 4.0 million.

Bookings and backlog

The following table shows, for our Front-end and Back-end segments, the level of new orders for the second quarter of 2008 and the backlog at the end of the second quarter as compared to the first quarter of 2008 and the second quarter of 2007:

(EUR millions, except book-to-bill ratio)					
	Q2 2007	Q1 2008	Q2 2008	% Change Q1 2008 to Q2 2008	% Change Q2 2007 to Q2 2008
Front-end:					
New orders for the quarter	81.9	76.2	60.8	(20)%	(26)%
Backlog at the end of the quarter	134.3	91.5	75.1	(18)%	(44)%
Book-to-bill ratio (new orders divided by net sales)	0.68	0.91	0.79		
Back-end:					
New orders for the quarter	145.0	111.1	132.5	19 %	(9)%
Backlog at the end of the quarter	108.3	99.1	99.4	nm	(8)%
Book-to-bill ratio (new orders divided by net sales)	1.08	0.98	1.00		
Total					
New orders for the quarter	226.9	187.3	193.3	3 %	(15)%
Backlog at the end of the quarter	242.6	190.6	174.5	(8)%	(28)%
Book-to-bill ratio (new orders divided by net sales)	0.89	0.95	0.92		

In line with the market, order intake of our Front-end segment decreased in the second quarter of 2008. The decrease was noticed in all product lines except for PECVD.

The following table shows the level of new orders during the six months ended June 30, 2007 and 2008 and the backlog at June 30, 2007 and 2008 and the percentage change:

(EUR millions, except book-to-bill ratio)	Six months ended June 30,		
	2007	2008	% Change
Front-end:			
New orders	215.5	137.0	(36)%
Backlog at June 30	134.3	75.1	(44)%
Book-to-bill ratio (new orders divided by net sales)	0.91	0.85	
Back-end:			
New orders	257.6	243.6	(5)%
Backlog at June 30	108.3	99.4	(8)%
Book-to-bill ratio (new orders divided by net sales)	1.13	0.99	
Total			
New orders	473.1	380.6	(20)%
Backlog at June 30	242.6	174.5	(28)%
Book-to-bill ratio (new orders divided by net sales)	1.02	0.94	

The book-to-bill ratio of our Back-end segment is 1.02 when measured in local currency.

Liquidity and capital resources

Net cash provided by operations in the second quarter of 2008 was EUR 29.5 million as compared to net cash provided by operations of EUR 19.0 million in the second quarter of 2007. For the six months ended June 30, 2008, net cash provided by operations was EUR 61.4 million compared to cash provided by operations of EUR 30.9 million for the same period in 2007. These developments result primarily from decreased working capital.

Net cash used in investing activities in the second quarter of 2008 was EUR 8.0 million, compared to EUR 16.4 million in the second quarter of 2007. For the six months ended June 30, 2008, net cash used in investing activities was EUR 15.5 million compared to EUR 22.8 million for the same period in 2007. These developments result mainly from decreased capital expenditures.

Net cash used in financing activities in the second quarter of 2008 was EUR 54.5 million, compared to EUR 44.7 million in the second quarter of 2007. For the six months ended June 30, 2008, net cash used in financing activities was EUR 57.1 million compared to EUR 45.6 million for the same period in 2007. These developments included the purchase of treasury shares (EUR 32.0 million) in the first half of 2008. In accordance with our commitment made in 2006, we have utilized the EUR 25.3 million dividends received from Back-end operations to purchase treasury shares. EUR 6.7 million of the dividends expected to be received from Back-end operations in August is allocated to the treasury shares already purchased. Included in the second quarter of 2007 were the purchase of treasury shares (EUR 3.5 million) and the buy back of convertible debt (EUR 20.5 million). In the second quarter of 2008, our Back-end operations paid EUR 22.3 million of dividends to its minority shareholders, compared to EUR 20.9 million in the second quarter of 2007.

Net working capital, consisting of accounts receivable, inventories, other current assets, accounts payable, accrued expenses, advance payments from customers and deferred revenue, increased from EUR 262.3 million at March 31, 2008 to EUR 271.1 million at June 30, 2008. The increase

is primarily the result of increased sales of our Back-end segment, in particular in June 2008. The number of outstanding days of working capital, measured based on annual sales, increased from 102 days at March 31, 2008 to 110 days at June 30, 2008. During the same period, our Front-end segment increased from 120 days to 137 days, while our Back-end segment increased from 87 days to 91 days.

At June 30, 2008, our principal sources of liquidity consisted of EUR 152.3 million in cash and cash equivalents and EUR 92.8 million in undrawn bank lines. Approximately EUR 57.1 million of the cash and cash equivalents and EUR 24.6 million of the undrawn bank lines are restricted to use in our Back-end operations. Approximately EUR 12.0 million of the cash and cash equivalents and EUR 17.2 million in undrawn bank lines are restricted to use in our Front-end operations in Japan.

Dividend

We will continue with our dividend policy as formulated in 2007. Based on this, we intend to propose to the May 2009 Annual General Meeting of Shareholders to pay a dividend over 2008. There will be no payment of an interim dividend in 2008.

Outlook

In recent weeks, both industry analysts and companies in the sector have forecasted material further declines in 2008 front-end capital equipment spending. For the back-end assembly and packaging markets, the contraction is expected to be less severe.

In light of the ongoing softness in front-end capital spending for 2008, ASMI anticipates increased weakness in Front-end revenues for the third quarter. At the same time, we focus on further reducing the operating expenses.

In Back-end, based on strong bookings through the second quarter, and a book-to-bill of 1 for the period, our assembly and packaging operations are expected to deliver solid results for the third quarter, and, once again, should continue to outperform the sector.

ASM INTERNATIONAL CONFERENCE CALL

ASM International will host an investor conference call and web cast on

FRIDAY, AUGUST 1, 2008 at

09:00 a.m. US Eastern time

15:00 p.m Continental European time.

The teleconference dial-in numbers are as follows:

United States: +1 866.966.5335
International: +44 (0)20.3023.4456

A simultaneous audio web cast will be accessible at www.asm.com.

The teleconference will be available for replay, beginning one hour after completion of the live broadcast, through August 15, 2008. The replay dial-in numbers are:

United States: +1 866.583.1035
International: +44 (0)20.8196.1998
Access code: 117327#

About ASM International

ASM International N.V., headquartered in Bilthoven, the Netherlands, and its subsidiaries design and manufacture equipment and materials used to produce semiconductor devices. ASM International and its subsidiaries provide production solutions for wafer processing (Front-end segment) as well as assembly and packaging (Back-end segment) through facilities in the United States, Europe, Japan and Asia. ASM International's common stock trades on NASDAQ (symbol ASMI) and the Euronext Amsterdam Stock Exchange (symbol ASM). For more information, visit ASMI's website at www.asm.com.

Safe Harbor Statement under the U.S. Private Securities Litigation Reform Act of 1995: All matters discussed in this statement, except for any historical data, are forward-looking statements. Forward-looking statements involve risks and uncertainties that could cause actual results to differ materially from those in the forward-looking statements. These include, but are not limited to, economic conditions and trends in the semiconductor industry generally and the timing of the industry cycles specifically, currency fluctuations, the timing of significant orders, market acceptance of new products, competitive factors, litigation involving intellectual property, shareholder and other issues, commercial and economic disruption due to natural disasters, terrorist activity, armed conflict or political instability, epidemics and other risks indicated in the Company's filings from time to time with the U.S. Securities and Exchange Commission, including, but not limited to, the Company's reports on Form 20-F and Form 6-K. The Company assumes no obligation nor intends to update or revise any forward-looking statements to reflect future developments or circumstances.