



July 31, 2017

Dear Fellow ASM International Shareholders:

Eminence Capital, LP (“Eminence”) urges ASM International NV (“ASMI” or the “Company”) shareholders to consider the risks associated with the Company’s decision to retain the non-core stake in ASM Pacific Technology Ltd. (“ASMPT”). Most shareholders have invested in ASMI to obtain exposure to its well-positioned front end business and the positive secular trends in the single wafer atomic layer deposition (ALD) market. However, the front end business makes up only ~33% of the market value of ASMI. The rest is made up of a significant cash position (~17% of market value) and the financial holding in ASMPT, which represents over 50% of ASMI’s market value. **ASMI shareholders are significantly more exposed to the stock performance and operations of a company that are beyond ASMI’s control than they are to the front end business.**

Last week, ASMI’s stock price declined ~10% in the three days following its Q2 earnings, despite strong quarterly results and guidance for the front end business. This was a direct result of ASMI’s 50% economic exposure to ASMPT, which declined ~20% over the same period after its own Q2 earnings announcement. This is perfect illustration of the longstanding, continuing and unacceptable risk to ASMI shareholders caused by the Company’s ASMPT stake.

ASMPT is operating at the peak of a very cyclical industry and is trading at close to a peak valuation. Any further deterioration in ASMPT’s business from current peak levels subjects ASMI shareholders to significant additional risk through our exposure to ASMPT’s stock price.

Eminence also asks shareholders to consider the following: How would you react if a company in which you were invested made a minority financial investment in an unrelated business of €1.6 billion, equal to half of the value of the overall company? This would be almost uniformly unacceptable and shareholders would revolt. Now consider the current situation at ASMI (which owns a €1.6b minority financial investment in a non-core business) which doesn’t garner the same level of scrutiny simply because it is a legacy investment. **Why should we allow the ASMI Company Boards to invest our capital in this manner and what are their motivations for retaining the stake in ASMPT?**

Following an abbreviated discussion on the topic at the Company’s Annual General Meeting in May 2017, it is clear that the Company Boards are going to act in a self-interested and entrenched manner and not act in the best interest of shareholders. **Accordingly, we are reaching out to our fellow ASMI shareholders to encourage each of you to contact the Company Boards to express your strong dissatisfaction with their continuing inaction in**

this area and to demand the full divestiture of the ASMPT stake. As owners of ASMI, it will be impossible for the Company Boards to ignore our collective voice.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'R. Sandler', with a long horizontal flourish extending to the right.

Ricky Sandler
CEO and Chief Investment Officer