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**ASM INTERNATIONAL REPORTS
 2006 SECOND QUARTER OPERATING RESULTS**

- *Net sales of € 234.8 million in the second quarter of 2006, up 14% from the first quarter of 2006 and up 28% from the second quarter of 2005.*
- *Net earnings of €17.4 million or €0.30 diluted net earnings per share in the second quarter of 2006, as compared to net earnings of €2.6 million or €0.05 diluted net earnings per share (after charges for impairment and restructuring of €5.4 million) in the first quarter of 2006 and net earnings of €0.5 million or € 0.01 diluted net earnings per share for the second quarter of 2005.*
- *Second quarter bookings of €256.9 million, up 6% from the first quarter of 2006.*
- *Quarter-end backlog of €280.6 million, up 9% from the end of the first quarter of 2006.*

BILTHOVEN, THE NETHERLANDS, July 31, 2006 - **ASM International N.V.** (NASDAQ: ASMI and Euronext Amsterdam: ASM) reports today its 2006 second quarter operating results. These operating results have been prepared in accordance with accounting principles generally accepted in the United States of America ("US GAAP").

“The second quarter of 2006 was a good quarter for ASMI with both Front-end and Back-end segments exceeding expectations,” commented Arthur del Prado, president and chief executive officer of ASMI. “We made considerable progress in the execution of our plan to bring ASMI’s Front-end segment to consistent profitability, as evidenced by its positive earnings from operations. Our Back-end segment again reported outstanding results and reached quarterly sales and operating profit record levels, expressed in Hong Kong dollar, exceeding the previous record set in 2000.”

Three months ended June 30, 2006.

The following table compares the operating performance for the second quarter of 2006 with the first quarter of 2006 and the second quarter of 2005:

(euro millions, except earnings per share)					
				% Change Q1 2006 to Q2 2006	% Change Q2 2005 to Q2 2006
	Q2 2005	Q1 2006	Q2 2006		
Net sales	183.3	206.5	234.8	14 %	28 %
Gross profit	63.7	78.6	93.3	19 %	46 %
<i>Gross profit margin</i>	<i>34.8%</i>	<i>38.1%</i>	<i>39.7%</i>	<i>1.6(1)</i>	<i>4.9(1)</i>
Selling, general and administrative expenses	(24.1)	(35.8)	(30.6)	(14)%	27 %
Research and development expenses	(23.8)	(21.8)	(21.9)	0 %	(8)%
Amortization of other intangible assets	(0.4)	(0.2)	(0.8)	328 %	96 %
Earnings from operations	15.4	20.8	40.0	92 %	159 %
Net earnings	0.5	2.6	17.4	577 %	3,259 %
Diluted net earnings per share	0.01	0.05	0.30	500 %	2,900 %
New orders	177.7	243.1	256.9	6 %	45 %
Backlog at end of period	196.5	258.5	280.6	9 %	43 %

(1) Percentage points change.

Net Sales and Order Intake in the second quarter of 2006 were higher in both the Company's Front-end and Back-end segments as compared to both the first quarter of 2006 and the second quarter of 2005.

Consolidated sales levels expressed in euro were negatively impacted by the weakened US dollar and US dollar related currencies against the euro. The decrease of exchange rates in the second quarter of 2006 as compared to the first quarter of 2006 impacted sales negatively by 3.9%.

The Gross Profit Margin for the second quarter of 2006 of 39.7% of net sales was 1.6 percentage points above the 38.1% gross profit margin realized in the first quarter of 2006. The increase is noticed in particular in the Company's Front-end segment, primarily due to changes in the product mix, increased gross margins of most product lines, also due to higher utilization of our manufacturing and assembly facilities.

Selling, General and Administrative Expenses decreased 14% from €35.8 million in the first quarter of 2006 to €30.6 million in the second quarter of 2006 and increased 27% from €24.1 million in the second quarter of 2005. Recorded in the first quarter of 2006 in our Front-end segment were impairment and restructuring charges of €5.4 million with respect to the restructuring of ASM NuTool, explaining the decrease of selling, general and administrative expenses noticed.

The increase from the second quarter of 2005 was the result of increased sales and marketing activity, demo activity, and increased expenditures in preparing to meet requirements under section 404 of the Sarbanes-Oxley Act. In addition, the adoption of Statement of Financial Accounting Standards No. 123R "Share-Based Payment," effective January 1, 2006, required us to recognize costs of employee stock options.

As a percentage of net sales, selling, general and administrative expenses in the second quarter of 2006 were 13%, as compared to 17% in the first quarter of 2006 and 13% in the second quarter of 2005.

Research and Development Expenses of €21.9 million in the second quarter of 2006 is stable as compared to €21.8 million in the first quarter of 2006. These expenses decreased 8% from €23.8 million in the second quarter of 2005 as a result of increased selection and control of research and development expenses and the restructuring of ASM NuTool.

As a percentage of net sales, research and development costs in the second quarter of 2006 were 9%, as compared to 11% in the first quarter of 2006 and 13% in the second quarter of 2005.

Earnings from Operations amounted to €40.0 million in the second quarter of 2006 compared to €20.8 million in the first quarter of 2006 and €15.4 million in the second quarter of 2005. When compared to the first quarter of 2006, earnings from operations increased in both the Front-end and Back-end segments. The increase is noticed in particular in the Front-end segment and caused primarily by increased sales and gross profit margin and decreased selling, general and administrative expenses. In addition, impairment and restructuring charges of €5.4 million were recorded in the first quarter of 2006 in our Front-end segment.

Net Interest Expense was €1.6 million in the second quarter of 2006, as compared to €1.8 million in the first quarter of 2006 and €2.8 million in the second quarter of 2005. When compared to the second quarter of 2005, interest expenses decreased due to decreased borrowings, mainly the result of the repayment of US\$ 94.3 million in convertible subordinated notes which were due in November 2005.

Six months ended June 30, 2006.

The following table shows the operating performance and the percentage change for the six months ended June 30, 2006 compared to the same period in 2005:

(euro millions, except earnings per share)	Six months ended June 30,		
	2005	2006	% Change
Net sales	318.0	441.2	39 %
Gross profit margin	109.7	171.9	57 %
<i>Gross profit margin %</i>	<i>34.5%</i>	<i>39.0%</i>	<i>4.5 (1)</i>
Selling, general and administrative expenses	(47.8)	(66.4)	39 %
Research and development expenses	(44.8)	(43.7)	(2)%
Amortization of other intangible assets	(0.8)	(1.0)	24 %
Earnings from operations	16.3	60.8	274 %
Net earnings (loss)	(6.7)	20.0	Na
Diluted net earnings (loss) per share	(0.13)	0.37	Na
New orders	327.7	500.0	53 %
Backlog at the end of period	196.5	280.6	43 %

(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, 2006 compared to the same period in 2005:

(euro millions)	Six months ended June 30,		
	2005	2006	% Change
Front-end	173.4	202.1	17 %
Back-end	144.6	239.1	65 %
Consolidated net sales	318.0	441.2	39 %

In the six months ended June 30, 2006, net sales of wafer processing equipment (Front-end segment) represented 45.8% of consolidated net sales. Net sales of assembly and packaging equipment and materials (Back-end segment) represented 54.2% of consolidated net sales.

Consolidated sales levels expressed in euro were positively impacted by the strengthened US dollar and US dollar related currencies against the euro. The increase in exchange rates in the six months ended June 30, 2006 compared to the six months ended June 30, 2005 impacted sales positively by 4.6%.

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, 2006 compared to the same period in 2005:

(euro millions)	Six months ended June 30,				Increase or (decrease) percentage points
	2005	2006	2005	2006	
Front-end	45.5	61.1	26.2%	30.2%	4.0
Back-end	64.2	110.8	44.4%	46.3%	1.9
Total gross profit	109.7	171.9	34.5%	39.0%	4.5

The increase was caused by an increase in the proportion of net sales accounted for by the higher margin Back-end segment and increased margins in the Front-end segment mainly due to changes in the Front-end segment product mix.

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, 2006 compared to the same period in 2005:

(euro millions)	Six months ended June 30,		
	2005	2006	% Change
Front-end	29.1	39.5	36 %
Back-end	18.7	26.9	43 %
Total selling, general and administrative expenses	47.8	66.4	39 %

Selling, general and administrative expenses are impacted by impairment and restructuring charges of €5.4 million recorded in the first quarter of 2006 in our Front-end segment. Next, the increase is also due to increased sales and marketing activity, demo activity, and increased expenditures in preparing to meet requirements under section 404 of the Sarbanes-Oxley Act. In addition, the adoption of Statement of Financial Accounting Standards No. 123R “Share-Based Payment,” effective January 1, 2006, required us to recognize costs of employee stock options.

As a percentage of net sales, selling, general and administrative expenses are stable at 15% in both the first half of 2006 and the first half of 2005.

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, 2006 compared to the same period in 2005:

(euro millions)	Six months ended June 30,		
	2005	2006	% Change
Front-end	33.0	29.2	(12)%
Back-end	11.8	14.5	23 %
Total research and development expenses	44.8	43.7	(2)%

The decrease in the Front-end segment was the result of increased selection and control of research and development expenses and the restructuring of ASM NuTool. The increase in the Back-end segment was the result of increased staff expenses.

As a percentage of net sales, research and development expenses were 10% in the first half of 2006, compared to 14% in the first half of 2005.

Earnings from Operations amounted to €60.8 million for the six months ended June 30, 2006 as compared to €16.3 million for the six months ended June 30, 2005. Earnings from operations increased in both the Front-end and Back-end segments. Earnings from operations for the six months ended June 30, 2006 include impairment and restructuring charges of €5.4 million recorded in our Front-end segment.

Net Interest Expense amounted to €3.4 million for the six months ended June 30, 2006 as compared to €5.6 million for the six months ended June 30, 2005. Interest expenses decreased due to decreased borrowings, mainly the result of the repayment of US\$ 94.3 million in convertible subordinated notes which were due in November 2005.

Net Earnings for the six months ended June 30, 2006 amounted to €20.0 million or €0.37 diluted net earnings per share compared to a net loss of €6.7 million or €0.13 diluted net loss per share for the same period in 2005. Net earnings for the six months ended June 30, 2006 include impairment and restructuring charges of €5.4 million recorded in our Front-end segment.

Bookings and backlog

New orders received increased 6% from €243.1 million in the first quarter of 2006 to €256.9 million in the second quarter of 2006, extending the quarter over quarter improvement in order intake experienced since the first quarter of 2005. Both Front-end and Back-end segments noticed increases, of 10% and 3% respectively.

For the second quarter of 2006, the level of new orders divided by the net sales for the quarter (book-to-bill ratio) was 1.09, compared to a book-to-bill ratio of 1.18 and 0.99 in the first quarter of 2006 and fourth quarter of 2005, respectively. For the six months ended June 30, 2006 the book-to-bill ratio was 1.13, consisting of 1.12 for the Front-end segment and 1.14 for the Back-end segment.

The backlog at June 30, 2006 amounted to €280.6 million, an increase of 9% compared to the backlog of €258.5 million at March 31, 2006.

The following table shows the level of new orders during the six months ended June 30, 2005 and 2006 and the backlog at June 30, 2005 and 2006 and the percentage change:

(euro millions)	Six months ended June 30,		
	2005	2006	% Change
Front-end:			
New orders	160.4	226.9	42%
Backlog at June 30	127.9	160.2	25%
Back-end:			
New orders	167.3	273.1	63%
Backlog at June 30	68.6	120.4	76%
Total			
New orders	327.7	500.0	53%
Backlog at June 30	196.5	280.6	43%

Liquidity and capital resources

Net cash provided by operations in the second quarter of 2006 was €52.9 million as compared to net cash used in operations of €3.9 million in the second quarter of 2005. For the six months ended June 30, 2006, net cash provided by operations was €72.3 million compared to cash provided by operations of €18.7 million for the same period in 2005. These developments result from increased net earnings and decreased working capital.

Net cash used in investing activities in the second quarter of 2006 was €9.0 million, compared to €6.9 million in the second quarter of 2005. For the six months ended June 30, 2006, net cash used in investing activities was €17.7 million compared to €18.8 million for the same period in 2005.

Net working capital, consisting of accounts receivable, inventories, other current assets, accounts payable, accrued expenses, advance payments from customers and deferred revenue, decreased from €240.3 million at March 31, 2006 to €229.9 million at June 30, 2006. The decrease is primarily the result of decreased levels of accounts receivable and inventory. The number of outstanding days of working capital, measured based on annual sales, decreased from 110 days at March 31, 2006 to 99 days at June 30, 2006.

At June 30, 2006, the Company's principal sources of liquidity consisted of €161.5 million in cash and cash equivalents, of which €72.9 million was available for the Company's Front-end operations and €88.6 million was restricted for use in the Company's Back-end operations. In addition, the Company also had €109.1 million in undrawn bank facilities, of which €31.5 million was available for its Back-end operations and €27.3 million was available for the Front-end operations in Japan.

Outlook

The positive second quarter results show the continued strength of Back-end and the progress made by Front-end on its road to profitability, supported by a favorable customer and product mix.

Based on backlog and customer guidance, we expect Front-end sales for the second half of 2006 to be comparable to first half sales. We confirm that we expect to achieve for the full year 2006 the target of positive EBITDA (net of restructuring charges) as stated at the Annual General Meeting of Shareholders in May 2006.

For Back-end, based on the strong order intake in the past quarters, we expect solid sales and operating profit in the second half of 2006.

Change in Management Board and Supervisory Board

Mr Patrick Lam, Vice President of Asian Operations at ASMI and Managing Director and CEO of ASM Pacific Technology (ASMPT), will retire at year-end 2006. Mr Lam has served at ASMPT's helm for 31 years, since the foundation of ASMPT in 1975. Mr Lam will be succeeded by an executive office of three seasoned ASMPT professionals. Effective January 1, 2007 the ASMPT executive office will be composed of Peter Lo, Vice Chairman of the Board; W.K. Lee, Chief Executive Officer; and James Chow, Chief Operating Officer. At the request of the ASMPT Board of Directors and ASMI, and in order to ensure an orderly transition of management responsibilities, Mr Lam will continue as Honorary Chairman of ASMPT through June 2007. The Company thanks Mr Lam for his enormous contribution to ASMI and ASMPT. In his 31 years at ASMPT, he has taken ASMPT to become the largest and most profitable company in the semiconductor assembly and packaging equipment industry sector. For further details on succession, we refer to the joint ASMI and ASMPT press release to be issued shortly after this press release.

Much to his regret, Mr Jean den Hoed whose term will expire at the AGM 2007 has decided to resign from the Supervisory Board of ASM International, following medical advice to limit his activities in the coming months. In taking his decision, Mr den Hoed has taken into account that in the coming period a special effort will be required from the Supervisory Board. The Company regrets the decision and thanks Mr Jean den Hoed for his valuable contribution to the Supervisory Board and its Audit Committee over the past seven years.

Announcement of Extraordinary General Meeting of Shareholders

An Extraordinary General Meeting of Shareholders will be convened on Monday November 27, 2006. The agenda of this meeting will include, amongst others, the composition of the Supervisory Board, an amendment of the Company's articles of association and a discussion on the continued review of the merits of the Company's strategy and business model.

ASM INTERNATIONAL CONFERENCE CALL

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

MONDAY, JULY 31, 2006 at

9:00 a.m. US Eastern time

15:00 p.m Continental European time.

The teleconference dial-in numbers are as follows:

United States: +1 800.638.5439

International: +1 617.614.3945

Participation pass code is 673 18 131

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 10, 2006. The replay dial-in numbers are:

United States: +1 888.286.8010

International +1 617.801.6888

Participation pass code is 805 68 509

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 <http://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.